

CHAPTER-I

THE PROBLEM

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1.1: Introduction

Globalisation in its literal sense is the process of transformation of local or regional things or phenomena into global ones. It can also be used to describe a process by which the people of the world are unified into a single society and function together. This process is a combination of economic, technological, sociocultural and political forces. Globalisation is often used to refer to economic globalisation, that is, integration of national economies into the international economy through trade, foreign direct investment, capital flows, migration, and the spread of technology.

In a world of globalised labour market, there has been an increase in mobility of qualified and educated human resources among developing and developed countries. The outflow or “brain drain” of highly skilled human resources from different sectors is the matter of concern for the developing countries. Sectors such as health, IT, education and agriculture are the areas where migration of labour is the highest. But for some countries the brain drain has become a brain gain through migrant investments. Migration is the consequence of a lack of development in a country. The development policies, economic growth, developed rule of law and good governance can have an impact on a migrant’s decision to migrate. However, a number of policies and initiatives are already in place in countries of origin and destination to specifically help to train, retain and regain skilled personnel for development.

The role of migration in the era of globalisation is regarded to be very important to the developing countries. With the concept of globalisation sweeping across the globe, the migration of labour has been a contributing factor to the economic improvement of developing countries. With the free movement of labour across the nations immigration has become one of the major problems to the developing countries of the world. People from the neighbouring poor countries often move to more developed countries in order to improve their economic conditions. This may create a huge pressure on the host country for the unskilled labour because the per capita income comes down in spite of a well performing economy. In case of the skilled labours the situation is better as their income contributes to the gross domestic product of the host country.

The impact of globalisation has created an international demand for labour. The free mobility of both the skilled and unskilled labour has become important with the transfer of technology between different countries. The labour demands in the developed economies are increasing due to the problems of the decreasing rate of fertility, the opening up of new opportunities, the transformation of the industries with the technological advancements, etc. The developing countries with their huge skilled labour force are catering to the demand for skilled labour.

This study actually is focused on the human resource migration of the skilled IT professionals from India which is also termed as 'Brain-Drain'. The IT professionals are the cream of our society. Their contribution may have a huge impact in Indian economy if they stay back in India and work for the Indian companies. But a huge number of these cream students are leaving India every year. Now a question arises here why they are leaving the country? How globalisation has an impact on the migration of skilled human resources from India? What is the mind frame of the IT professionals regarding migration? What are the psychological factors influencing their migration decisions? These along with a number of questions peep into our mind while discussing migration of skilled labour force particularly the IT professionals from India. It is now understood that migration is a simple individual action in which a person decides to move in search of better life-chances, pulls up their roots in the place of origin and quickly becomes habituated in a new country. Migration and settlement tend to be long-drawn-out processes. Over time, three major sets of migration theories have emerged to try and explain migration and resettlement: The neo-classical equilibrium perspective emphasizes tendencies of people to move from densely to sparsely populated areas or from low to high-income areas, or link migrations to fluctuations in business cycles. These approaches are often known as 'push-pull' theories. The historical-structural approach has its roots in Marxist political economy, and stresses the unequal distribution of economic and political power in the world economy. Migration is seen here mainly as a way of mobilising cheap labour for capital. The migration approach sets out to provide a conceptual framework that includes both ends of the flow and studies all dimensions of the relations between emigration and immigration countries (Khadria, 2006). It recognises the close links between flows of capital, commodities, ideas and people, and that such flows rise out of historical linkages (such as colonisation, military presence,

political influence, trade or cultural penetration). The links can be categorised as state-to-state relations and comparisons, mass culture connections and family and social networks.

From different studies it is seen that migration from India to different industrialized countries grew steadily during 1950 to 2000. Nearly 1.25 million Indians immigrated to the US, Canada, UK and Australia during this period. An estimated 5.7 million migrated Indian workers abroad sent remittances to their homes near about \$27 billion in 2007 to make India the world's top receiver of migrant remittances, according to a World Bank Report (Times of India, 19th Feb., 2009). Migration to the Middle East countries increased rapidly between the late 1970s and early 1980s. In the mid to late 1980s the number of Indian workers migrating to the Middle East fell sharply due to gulf problems. Labour migration increased substantially again during the 1990s. Today, near about 4.5 million Indian migrants live in Gulf countries and 1.6 million Indian migrants live in USA (2006). Most migrants come from Kerala, Tamil Nadu, Andhra Pradesh and Punjab. A report published in 2009 that nearly 8.5 lakhs Keralites live and work in Dubai, making them the largest community of experts from India. Nearly 3.5 lakh people from Andhra Pradesh work in Dubai in construction and other sectors. Approximately 3 lakh Tamils have made Dubai their second home and work in the construction sector, which has been driving Dubai's economy. Total 1.5 million Indians live and work in the UAE and 4.5 million Indians live and work in the entire Gulf region (Times of India, 19th Feb., 2009). The current number of Indian migrants overseas accounts for less than 1 percent of the total workforce in India, which has a little direct impact on the national labour market. But when the question of skilled, intelligent migration (Brain Drain) comes the impact is huge on the national labour market. But for overall migration (skilled and unskilled) there are some benefits. In Kerala, for example, emigration has recently led to a considerable reduction in unemployment. Remittances are the main benefit of external migration, providing limited foreign exchange and scope for higher levels of savings and investments. Remittances over the past 30 years have financed much of India's balance of trade deficit and have thus reduced the current account deficit.

Now in Information Technology field India has become a dominant supplier of IT professionals to various countries like USA, Germany, Australia, Gulf, New Zealand, UK etc. The German Green Card, the American H1-B visa, the British work permit, the Canadian investment visa, the Australian student visa, the New Zealand citizenship, all are encouraging to acquire Indian talents including skilled professionals. The Indian IT professionals who go to the different parts of the world, 90 percent of them go to the USA only. Out of these IT professionals a good number of professionals are women IT professionals and few of them are physically handicapped.

According to the agreement between USA Govt and WTO and the 'Agreement of Uruguay', the US Govt. is bound to issue minimum 65000 H-1B visas to foreign skilled professionals every year. The H-1B and L-1 visas are the temporary visas given to the skilled professionals from foreign countries for temporary immigration to USA. Due to the demands of skilled professionals in US companies the Govt. of USA had issued approximately 3,00,000 H-1B visas during 2007-2008 (Bureau of Citizenship and Immigration Services, USA Govt.). Basically the demands of H-1B & L-1 visas come from the IT industries. The IT companies of USA have always demanded that the number of H-1B visas should be increased for the Indian IT professionals. This is because of the fact that Indian IT professionals are skilled, bright, good English speakers and above all cheaper than their US counterparts. The cost to company (CTC) of an Indian IT professionals in USA is \$60000-70000 per annum, whereas for an American the CTC is about \$100000. Most of the H-1B visas and L-1 visas are availed by Indian IT professionals. Approximately 50 percent or more of those visas are availed by Indian IT professionals (Bibek Debray, Anandabazar Patrika, 28th May, 2009). Indian IT professionals are in great demand in US companies. Approximately, 10 lacks Indian have stayed in USA. Those who have got 'Green Card' have become the permanent residents of USA but those who have got only H-1B visas and L-1 visas are facing some problems in 2009 due to the new immigration policies of the Obama Govt. regarding H-1B visas due to recent economic recession. Approximately, 90,000 Indian students who are doing higher studies will also face same problems due to this. Usually most of them get their jobs in USA after completion of their studies. Indian IT professionals are the pioneers in the development of software Industries in USA. The Indian IT professionals have great contributions in setting up of establishments like Google, Intel, e-Bay, Yahoo etc. in

USA. Approximately, 1, 63, 00 H1B visas were offered to IT specialists from India during the tenure 2007-2008 (Bureau of Citizenship and Immigration Services, USA Govt.). The demands of H-1B and L-1 visas are very high for the multinational software houses which have their offices in India and USA both the countries. In the year of 2008 there were demands of 85000 H-1B visas by the Indian IT professionals. In 2001, India was the largest source of H-1B petitions. Out of the 331,206 H-1B petitions approved by BCIS (Bureau of Citizenship and Immigration Services, USA Govt.) in 2001, 161,561 or 49 percent went to Indian nationals. The next closest country was China, with 27,331, or 8 percent, approved petitions. Almost all, precisely 92 percent, of the petitions for Indian workers were for computer-related or engineering occupations. It is clear that employers of Indian nationals with *IT* skills are the heaviest users of the H-1B visa. In the year of 2009 during the recession the US Govt. has passed a bill to provide limited number of H-1B visas to software professionals. In 2009 the number has been gone down to around 45,000. According to data, released by the US Citizenship and Immigration Services (USCIS) in 2009, Infosys tops the list with as many as 4,559 visas(Jhunjhunwala, The Statesman,16th September,2010), followed by Wipro with 2,678, Satyam 1,917, TCS 1,539, Cognizant 467, L&T 403 and IBM India got 381 H1B visas. Microsoft, the US Company with 1,037 H1B visas issued, ranked fifth in the list. Among other US companies, Google got 248 visas, while Lehman Brothers received 130 visas. The H1B visa has been designed for US corporations to remain competitive in the world market. In the times when the US is experiencing recession, there has been a general animosity against the H1B visas in America. Recently a statistics is published by USCIS (Rediffmail.com, May 20, 2009) that nearly 20,000 slots were open for seven weeks after the US Citizenship and Immigration Services (USCIS) started receiving applications for the financial year 2010 beginning October 2009.The USCIS said it has so far received approximately 45,500 H-1B petitions out of 65,000 sanctioned number. USCIS has received approximately 20,000 petitions for the advanced degrees category. However, it would continue to accept advanced degree petitions since experience has shown that not all petitions received are approvable, the USCIS said in a statement. The Congress mandated that the first 20,000 of these types of petitions are exempted from any fiscal year cap on available H-1B visas. For the fiscal 2010, the USCIS started receiving H-1B petitions from April 1. In the first five working days, it received 42,000 H-1B petitions.

In the month and half since then, USCIS has received just 3,500 more H-1B petitions, indicating the slump in demand for H-1B work visas.

Remittances have had a considerable impact on regional economies. The most striking case is that of Kerala, where remittances made up 21 percent of state income in the 1990s. In the year of 2009, 56 percent of remittances to Kerala originated from the Gulf, 27.71 percent of total bank deposits in Kerala in September 2008 came from abroad (Times Of India, 19th Feb., 2009). This flow appears to have increased wealth: although the average per capita consumption in Kerala was below the national average until 1978–79, but in between 1999–2000 consumer expenditure in Kerala exceeded the national average by around 41 percent. International migration has also had considerable impacts on demographic structures, expenditure patterns, social structures and poverty levels. Impacts include reducing population growth; enhancing the dependency burden within households; increasing consumption expenditures and reducing poverty levels. External migration flows are regulated by the government. The main instrument of regulation is the Emigration Act 1983 which deals with the departure of Indian workers for overseas contractual employment and seeks to safeguard their interests. However efforts to direct manpower export have been minimal. The policy intervention of Government should be to improve synergy between migration and development. Internal migration is a consequence of unequal regional development.

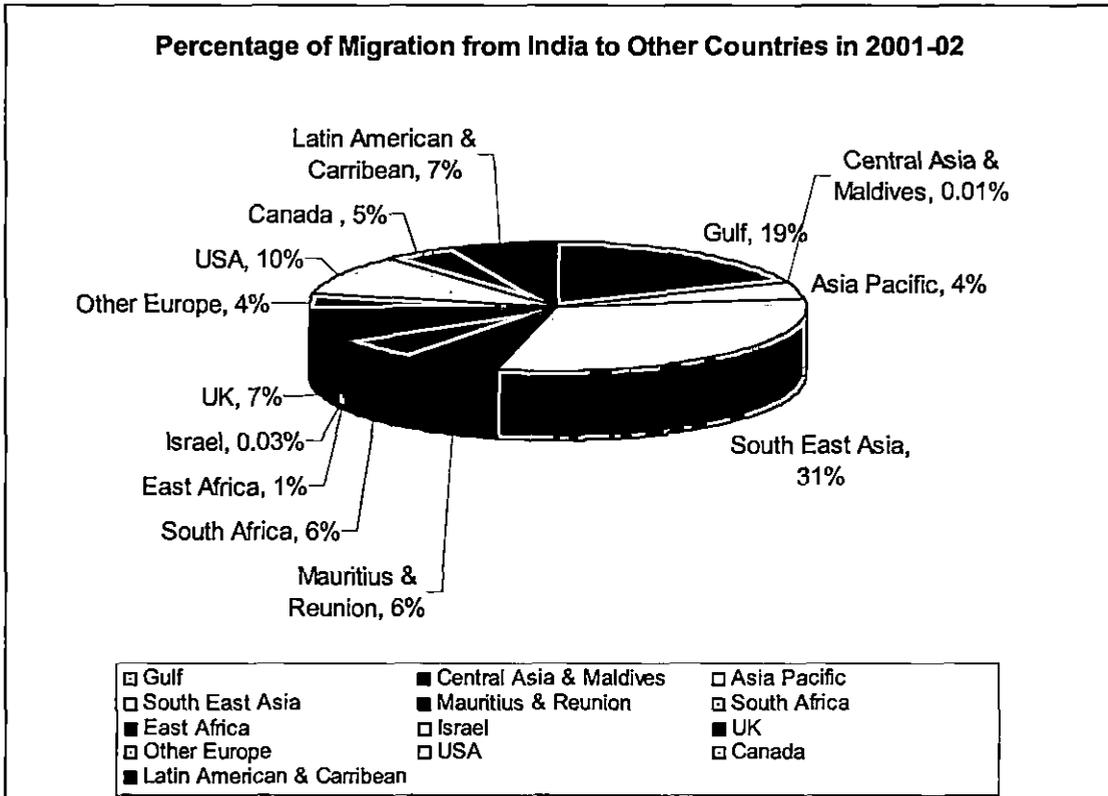
In some regions of India, three out of four households include a migrant. The effects of migration on individuals, households and regions add up to a significant impact on the national economy and society. This study reviews some key issues relating to external labour migration with special reference to Indian IT professionals. It analyses the patterns, trends and nature of skilled migration, the effect of Globalisation and the influencing factors on migration.

Due to globalisation lots of companies are coming to India for businesses. FDIs are coming relentlessly to Indian Market. Indian multinationals have started their businesses worldwide after 1991. The skilled human resources of India are always in demand in some foreign countries like USA, Canada, Gulf countries etc. There is always a fascination of Indian skilled labour to work outside of the country. This is because of wages, QWL, cost of living etc. After globalization the movement of the skilled labour

has also increased. Migration of skilled labour ultimately affects the industries, affect the country's economy. So what are the factors behind it? Are these psychological factors? If these are psychological factors then how globalization is affecting those psychological factors of the IT professionals?

The flow of labour from India to the other countries is shown below in Fig 1.1-

Fig 1.1: Migration from India to Other Countries



(Source: ICWA Report, Govt. of India, 2001)

From this figure 1.1 we can clearly get the view that maximum percentage of migration from India occurred to Southeast Asia i.e. 31percent in the year of 2001. The next two major regions where the migrations occurred are Gulf (19 percent) and US (10 percent). Every year up to 80 per cent of Indian skilled migration occurred to all developed countries including USA. It was in the 1970s that the US has become the prime destination of the migration of Indian IT professional than UK and Canada. Large numbers of Indians have migrated to USA every year. The U.S received 42,046 Indians in the year 2000. The number of Indians in the U.S. that became nationalised in 2000 was 26, 232. In the year of 2006 the Indian immigrants became 1.5 million in USA. Indian

immigration in the US, which constituted a microscopic of less than 1 percent of global immigration from all countries during the 1950s and 1960s, crossed a mark of 7 percent in 2004 (7.4 percent). Even in 2003, when security concerns in the post 9/11 phase had brought in a restrictive immigration regime in this country, Indian share amongst global immigrants thus continued to increase (from 6.7 percent in 2002 to 7.1 percent in 2003). In the two top categories of skilled immigrants in 2001, viz., professional and technical, and executive, administrative and managerial occupations, Indians occupied very high proportions of 24 per cent and 11 per cent respectively.

It is useful to distinguish between 'permanent', 'semi-permanent' and 'temporary' migrants, based on how long they are away from their place of origin, the links they maintain, and the likelihood that they will return home. Temporary migrants are unlikely to stay away from their places of origin for more than a few months in a year. But IT professionals generally do not want to come back to India again. After this economic recession the scenario is changed little bit. But most of them want to stay back in developed countries.

1.2: Overview of India's *IT* Industry

Over the years, Indian IT companies have established themselves firmly on the global stage. More than two-thirds of Fortune 500 firms turn to Indian IT multinationals for part of their IT and business process outsourcing needs. The IT industry is poised to grow at 36 per cent growth in the fiscal year 2008 and it has become as a US\$87 billion sector (Domestic and Exports) in 2008 (NASSCOM-McKinsey Study,2008). Software & Services contribute over 7.5 percent of the overall GDP growth of India. Presently there are more than 500 software firms in the country. Some, such as Tata Consultancy Services (TCS), Infosys Technologies and Wipro Technologies, have become global brands, competing head-to-head with multinational IT service providers. Majority of the IT firms have their offices in foreign countries. According to Business Asia, India has approximately 4,00,000 software workers(2008) out of which approximately 35 percent are women which makes about 30 percent of the world total IT workforce and in the past ten years, they have been involved in developing half of the world software programs through export contracts.

The Indian IT-BPO industry is estimated to achieve revenues of USD 71.7 billion in FY2009, with the IT software and services industry accounting for USD 60 billion of revenues. During this period, direct employment is expected to reach nearly 2.23 million, an addition of 226,000 employees, while indirect job creation is estimated to touch 8 million. As a proportion of national GDP, the sector revenues have grown from 1.2 per cent in FY1998 to an estimated 5.8 per cent in FY2009. Net value-added by this sector, to the economy, is estimated at 3.5-4.1 per cent for FY2009. The sector's share of total Indian exports (merchandise plus services) has increased from less than 4 per cent in 1998 to almost 16 per cent in 2008 (Aneesh, A. , 2000).

Indian IT companies are now listed on the NASDAQ. And most of the Indian IT companies earn their revenues from USA only. Near about 40-60 percent revenues of Indian IT firms are coming from USA. Worldwide India is a dominant supplier of IT professionals and about 70,000 H1B visas were offered to IT specialists from India during the tenure 1995-2008. In the year of 2009 during the recession the US Govt has passed a bill to provide limited number of H-1B visas to software professionals. In 2009 the number of IT professionals migrated to USA have decreased to around 45,000. According to data, released by the US Citizenship and Immigration Services (USCIS), Infosys tops the list with as many as 4,559 visas, followed by Wipro with 2,678, Satyam 1,917, TCS 1,539, Cognizant 467, L&T 403 and IBM India got 381 H1B visas. Microsoft, the US company with 1,037 H1B visas issued, ranked fifth in the list. Among other US companies, Google got 248 visas, while Lehman Brothers received 130 visas. The H1B visa has been designed for US corporations to remain competitive in the world market. In the times when the US is experiencing recession, there has been a general animosity against the H1B visas in America (NASSCOM Annual Report, 2007-2008).

The software products story, however, is different. Many global companies, including SAP, Microsoft and Oracle, leverage India for product development either through their subsidiaries or by outsourcing to Indian technology service providers. And a few Indian firms have developed their own products and are commercializing them through the licensing model.

But home grown successes are limited when it comes to full-fledged software product companies - those that develop and own software, and sell it themselves or through partners.

The National Association of Software and Service Companies (NASSCOM,2008) estimates that of India's total software and services revenue raised to US\$87 billion in fiscal 2008, the software product segment accounted for a mere US\$1.4 billion, with the top 10 companies taking in more than 80 percent. According to a recent study by NASSCOM and Bangalore-based management consulting firm Zinnov Management Consulting, sales of software products are expected to increase from US\$294 billion at present to US\$537 billion by 2015. NASSCOM also estimates that by 2015 the addressable market for Indian software products could be US\$290 billion to US\$315 billion.

NASSCOM (National Association of Software and Service Companies): NASSCOM is India's National Association of Software and Service Companies, the premier trade body and the chamber of commerce of the IT software and services industry in India. NASSCOM is a truly global trade body with around 900 members, of which nearly 150 are global companies from the US, UK, EU, Japan and China. NASSCOM's member companies are in the business of software development, software services, and IT-enabled/BPO services.

Table: 1.1 Progress of IT Industry in India
(In terms of US \$ billion)

Year	2003-04	2004-05	2005-06	2007-08
IT software and service exports	9.2	12.0	15.2	40
ITES-BPO exports	3.6	5.2	7.3	21
Domestic market	3.9	4.8	12.4	27.5
Total	16.7	22.0	28.5	87.5

(Source: NASSCOM Annual Report 2008-09)

However, despite this encouraging trend, the domestic software market size continues to grow at a marginally lower rate, as compared with software services exports, due to a higher level of piracy, pressure on software prices and lower level of sophistication in IT spending for most Indian companies. Some of the top Indian IT & ITES companies are given below.

1.3: Top 10 Software Companies in India (2008)

The Indian software industry is set to keep up its growth rate despite the slowdown in the economy. The National Association of Software and Services Companies (NASSCOM) forecasted a strong outlook for FY08-09 strong with software and services revenue seen growing by 21-24 percent. The software and services exports are set to hit the \$50 billion-mark in 2010-11 (Source: rediff.com, 2010).

The software and services exports segment grew by 29 percent (in USD) to register revenues of \$40.4 billion in FY07-08, up from \$31.4 billion in FY06-07. The domestic segment grew by 26 percent (in INR) to register revenues of \$ 11.6 billion in FY07-08. According to the latest NASSCOM rankings, Tata Consultancy Services Ltd., Infosys Technologies Ltd. and Wipro Technologies Ltd are the top three revenue generators in India. Check out the top ten players in the Indian IT industry.

1. Tata Consultancy Services (TCS)

The company posted a consolidated net profit of Rs 1,290.61 crore (Rs 12.90 billion) for the first quarter ended June 30, 2008, an increase of 7.3 per cent compared to the year-ago period. Its annual sales worldwide stands at \$5.7 billion for the fiscal year ending March 2008. During the year 2007-08, TCS' consolidated revenues grew by 22 per cent

to Rs 22,863 crore (\$5.7 billion). TCS is IDC-Dataquest IT best employer in IT services in 2007. TCS also topped Data Quest (DQ) top 20 list of IT service providers in 2007.

2. Wipro

The company has over 72,000 employees. Wipro's revenues grew by 33 percent to Rs 19,957 crore (Rs 200 billion) for the year ended March 31, 2008. The net profit grew by 12 percent to Rs. 3,283 crore (Rs. 32.83 billion). Wipro was the only Indian company to be ranked among the top 10 global outsourcing providers in IAOP's 2006 Global Outsourcing 100 listing. Wipro has also won the International Institute for Software Testing's Software Testing Best Practice Award.

3. Infosys

Infosys Technologies Ltd was started in 1981 by seven people with \$250. Today, the company boasts of revenues of over \$ 4 billion and approximately 1, 04,000 employees. Out of 1, 04,000 employees 14000 employees are US based. Under the leadership of N R Narayana Murthy, the company has become a global brand. The company is now headed by Kris Gopalakrishnan. The income for the quarter ended June 30 2008 was Rs 4,854 crore (Rs 48.54 billion). The net profit stood at Rs 1,302 crore (Rs 13.02 billion). Forbes magazine named Infosys in its list of Global High Performers. Waters magazine rated Infosys as the Best Outsourcing Partner. The Banker magazine conferred two Banker Technology Awards on Infosys to acclaim its work in wholesale and capital markets in two categories - Payments and Treasury Services, and Offshoring and Outsourcing. The International Association of Outsourcing Professionals (IAOP) ranked Infosys at No. 3 in its '2008 Global Outsourcing 100'.

4. Satyam Computer Services (Now Mahindra Satyam)

Established in 1987 by Ramalinga Raju, Satyam has staff strength of 51,000 employees. In 2008, the company's revenues crossed the \$ 2-billion mark. A simple, yet extensive management model to create value, which promotes entrepreneurship, a focus on the customer, and the constant pursuit of excellence,' is the company's mantra for success. In FY2008, its revenues saw a growth of 30.7 per cent to Rs 8,473.49 crore (Rs 84.73 billion) compared to fiscal 2007. The net profit stood at Rs 1,687.89 crore (Rs 16.87

billion), a growth of 20.2 per cent over fiscal 2007. Satyam is among the youngest IT service companies to reach \$1 billion in annual revenues. It is ranked No. 1 in the ASTD (American Society for Training and Development) BEST Award, 2007. But the recent scam in Satyam totally ruined this firm and the company is now ready to sell its 51 percent share to the foreign companies. After the scam Mahindra & Mahindra has taken over Satyam Computer Services in 2009.

5. HCL Technologies

HCL is a leading global technology player with annual revenues of \$4.9 billion. The HCL Enterprise comprises two companies listed in India, HCL Technologies and HCL Infosystems. Founded in 1976, HCL is one of 'India's original IT garage start ups'. The HCL team comprises 53,000 professionals of diverse nationalities, operating across 18 countries. At a time when India had a total of 250 computers, Shiv Nadar led a young team which passionately believed in the growth of the IT industry. Three decades later, he succeeded in creating a \$ 4.9 billion global enterprise. The company has reported consolidated revenue of Rs 3017.5 crore (Rs 30.17 billion) during the quarter ended March 31, 2008. The profit after tax stood at Rs. 81.5 crore (Rs 815 million).

6. Tech Mahindra

Tech Mahindra was incorporated as a joint venture between Mahindra & Mahindra and BT plc in 1986 under the name of 'Mahindra-British Telecom'. Later, the name was changed to 'Tech Mahindra', in order to reflect the diversification and growth of the client base and service offerings. The company was incorporated in 1986. Tech Mahindra is a global systems integrator and business transformation consulting firm focused on the communications industry. At the helm of the fast expanding organisation is Vineet Nayyar. In a career spanning over 40 years, he has worked with the government, international multilateral agencies and the corporate sector. Tech Mahindra's net profit rose 8.57 per cent to Rs 196.4 crore (Rs 1.96 billion) on 6.09 per cent growth in net sale to Rs 911.6 crore (Rs 9.11 billion) in Q3 December 2007 over Q2 September 2007.

7. Patni Computer Systems

Patni Computer Systems Ltd one of the leading global providers of information technology services and business solutions. The company has clients across the Americas, Europe and Asia-Pacific locations. The company has serviced more than 400 Fortune 1000 companies, for over two decades. Patni Computer Systems Limited was incorporated on 10 February 1978 under the Companies Act, 1956. On 18 September 2003, the Company converted itself from a private limited company into a public limited company. The company headed founded by Narendra K Patni by has a staff strength of over 14,000 professionals. The revenues for the quarter ended March 2008 stood at \$ 176.4 million (Rs. 7,061.2 million) up 13.1% YoY from \$ 156.0 million (Rs. 6,724.1 million). The net income for the quarter at US\$ 18.1 million (Rs. 724.6 million) down 35.0 per cent YoY from \$ 27.8 million (Rs. 1,200.3 million).Frost & Sullivan ranked Patni 1st among 'Top 5 Engineering Service Providers'.

8. i-flex Solutions

iflex started as a division of Citicorp (now Citigroup), wholly owned subsidiary called Citicorp Overseas Software Ltd. (COSL) in 1991. Later, a separate company Citicorp Information Technologies Industries Ltd. (CITIL) was formed and Rajesh Hukku was appointed as its head. CITIL started off with the universal banking product, MicroBanker which became very successful. In the mid-90s, CITIL developed Flexcube at its Bangalore development centre. After the launch of Flexcube, all of CITIL's transactional banking products were brought under a common brand umbrella. CITIL changed its name to i-flex solutions to reflect its growing independence from Citicorp and to strengthen its Flexcube brand. In 2006, i-flex became a majority-owned subsidiary of Oracle Corporation i-flex posted a top line growth of 8 per cent QoQ with revenue for the quarter ended March 31, 2008 at Rs 672 crore (Rs 6.72 billion) as compared to Rs 601 crore (Rs 6.01 billion) for the corresponding quarter during the previous year representing a 12 per cent YoY growth. The net income for quarter stood at Rs 185 crore (Rs 1.85 billion) representing 73 per cent growth QoQ. The revenue for the full year ended March 31, 2008 stood at Rs 2,380 crore (Rs 23.80 billion), up 15 per cent as compared to the previous year.

9. Mphasis

Mphasis Limited was formed in June 2000 after the merger of the US-based IT consulting company Mphasis Corporation (founded in 1998) and the Indian IT services company BFL Software Limited (founded in 1993). Jeya Kumar is CEO of Mphasis, which has a staff strength of 27,000 people. For the year ended 31 March 2008, the Mphasis Group recorded revenues of Rs 2,423 crore (Rs 24.23 billion), a growth of Rs 662 crore, which is 38 per cent over the previous year. The net profit increased by 42 per cent from Rs 180 crore (Rs 1.8 billion) to Rs 255 crore (Rs 2.55 billion) during the year ended 31 March 2008. Mphasis was named among amongst the Top 100 Companies in Global Outsourcing.

10. L&T Infotech

L&T Infotech is a global IT services and solutions provider. It is a subsidiary company of Larsen & Toubro Ltd. (L&T), an engineering, manufacturing and construction conglomerate, with global operations. A M Naik is the chairman of the company. Originally founded as L&T Information Technology Ltd (LTITL), a wholly-owned subsidiary of Larsen & Toubro Ltd (L&T), the company changed its name to L&T Infotech on 1st April, 1997. In 2004, it tied up with Fidelity Information Services, a division of Fidelity National Financial to provide banking solutions for the Indian banking industry. In 2007-08, L&T had recorded revenues of Rs 29,600 crore (Rs 296 billion).

1.4: Top 10 BPO Companies in India [ITES] (2008)

India's BPO story continues to bring cheer despite the economic slowdown. And Genpact is the leader of the pack in the Indian BPO space. According to Nasscom, the Indian IT-BPO industry (including domestic market) recorded an overall growth of 28 per cent clocking revenues of \$52 billion in FY07-08 up from \$39.6 billion in FY06-07. The BPO exports are up by 30 per cent (in US dollars), registering revenues of \$10.9 billion (Source: rediff.com, 2010)

1. Genpact

Genpact was born in 1997 as the India-based business process operations for GE Capital. In 2005, with equity investments from General Atlantic and Oak Hill Capital Partners, it became an independent company and was rebranded Genpact. It is India's No. 1 BPO firm. Genpact manages business for companies around the world with a network of more than 30 operations centres in nine countries. Genpact offers services in finance and accounting, collections and customer service, insurance, supply chain and procurement, analytics, enterprise application and IT infrastructure. Headed by Pramod Bhasin, the company had staff strength of over 34,300 employees as on March 31, 2008. Its revenues for the year 2007 stood at \$822.7 million.

2. WNS Global

WNS Global serves several industries, including travel, insurance, financial services, healthcare, professional services, manufacturing, distribution and retail. Warburg Pincus is the majority shareholder in WNS Global Services. The Nasdaq-listed company with more than 9,000 professionals was set up in 1996. Neeraj Bhargava is a co-founder of WNS (Holdings) Ltd and group chief executive officer. It posted quarterly revenue of \$116.1 million for the fourth quarter ended March 31, 2008, up 4.9 per cent from the corresponding quarter last year. Its revenues stand at \$459.9 million, up 30.5 per cent from fiscal 2007.

3. IBM Daksh

The five-year old IBM Daksh was created by four professionals -- Sanjiv Agarwal, Pawan Vaish, MJ Aravind and Venkat Tedanki -- who saw a great opportunity in the business process outsourcing space. With no business model to follow, it was a big challenge to set up the company. IBM Daksh is known for a good leadership, a focused vision and an undying passion. In April 2004, IBM Corporation acquired Daksh e-Services to serve as a global hub to manage business processes for clients from across the world. With 14 service delivery centres in India, IBM Daksh has more than 36 centers around the world. Today IBM Daksh employs more than 20,000 people. Pawan Vaish is the chief executive

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officer of IBM Daksh Business Process Services. A co-founder of Daksh eServices, he has been with the organisation since January 2000.

4. Aditya Birla Minacs Worldwide

Aditya Birla Minacs is part of the \$24 billion global conglomerate, the Aditya Birla Group. Aditya Birla Minacs was formed when Minacs, Canada's leading BPO company, and TransWorks, the BPO arm of Aditya Birla Group, joined hands to become a leading global business process outsourcing player. Aditya Birla Minacs clocked revenues to the tune of \$392 million (or about Rs 1,575 crore) till March 2008, a 17 per cent rise over the previous year's \$335 million. With over 26 years of experience, Aditya Birla Minacs offers BPO solutions for Fortune 500 clients. Minacs has more than 12,000 employees at locations in North America, Europe and Asia. It serves clients in automotive, banking, financial services, insurance, telecommunications and technology verticals. Dev Bhattacharya is the managing director for Aditya Birla Minacs Worldwide Ltd, a subsidiary of Aditya Birla Nuvo.

5. TCS BPO

TCS BPO is one of the leader players in the outsourcing industry. It offers services in areas such as finance and accounting, banking, HR outsourcing, KPO, insurance, payroll, healthcare, telecom, media, travel and entertainment. TCS operates from more than 41 countries and has more than 155 offices across the globe. Its head office in India is located in Bangalore. It has branches in Mumbai, Gurgaon, Goa, Hyderabad, Pune, Lucknow and many other places in India. While Tata Consultancy Services is India's top software company, TCS BPO established a stronghold in the BPO space. The TCS group posted a consolidated net profit of Rs 1,290.61 crore (Rs 12.90 billion) for the first quarter ended June 30, 2008, an increase of 7.3 per cent compared to the year-ago period.

6. Wipro BPO

Wipro BPO has carved a unique position in the outsourcing industry. In 2002, Wipro took a quantum jump in the BPO services by acquiring the then Spectramind. Wipro BPO Solutions complements the services offered by Wipro Technologies, making it one of the

largest BPO service players. The company with over 19,000 people, operating out of 9 different locations (India and Eastern Europe) serves clients across the globe. Wipro BPO clientele spans across banking and capital markets, insurance, travel and hospitality, hi-tech manufacturing, telecom and healthcare sectors. T K Kurien heads Wipro's BPO operations. The IT services revenue for Wipro Technologies stood at Rs 4,405 crore (Rs. 44.05 billion), a YoY growth of 39 per cent.

7. First Source

Firstsource (formerly ICICI Onesource) is a leading global business process management company. Founded in 2001, the company is ranked third in *Business Week's* 'Hot player' list of offshore outsourcing companies. The company has 17,000 employees in centres across India, the United States, the United Kingdom, Argentina and the Philippines. Its revenues for the year ended March 31 2008 stood at Rs 12,988 million, up 53.3 percent compared to the previous year.

8. Infosys BPO

Infosys BPO Ltd, the business process outsourcing subsidiary of Infosys Technologies, was set up in April 2002. Today, it is ranked among the leading BPO companies in India by NASSCOM, Dataquest, the International Association of Outsourcing Professionals, Red Herring, FAO Today and NelsonHall. Infosys BPO focuses on integrated end-to-end outsourcing through lesser costs. Infosys BPO operates in India, the Czech Republic, China, Philippines, Poland, Bangkok, Mexico and employs about 16,295 people. It closed FY2007-08 with revenues of \$250.3 million.

9. HCL BPO

HCL BPO, a division of HCL Technologies Limited was established in 2001. With over 13,200 professionals operating out of India and Northern Ireland, HCL BPO runs fourteen delivery centres across India, UK and Malaysia. The company has reported revenues to the tune of \$220.9 million. HCL BPO also offers multilingual support in eight European languages and eight Asia, Pacific and Africa Collections (APAC) languages. HCL BPO's focuses on sectors like telecom, retail, banking and financial

services, insurance, hi-tech & manufacturing, and media, publishing and entertainment. Shiv Nadar is the founder, chairman and chief strategy officer of HCL Technologies.

10. EXL Service Holdings

EXL Service Holdings came into existence in April 1999 in Delaware, US. It was founded by a group of professionals including Vikram Talwar (now executive chairman) and Rohit Kapoor, who is now the CEO. Vikram was then the CEO and managing director of Ernst & Young, and Rohit managed international investments for clients at Deutsche Bank. In August 2001, Consec acquired EXL and operated as its wholly owned subsidiary. Later, in November 2002, Oak Hill Capital Partners L.P. and FTV entered along with members of the senior management team bought EXL from Consec making it a third party pure-play business process outsourcing service provider. The company has seen a fast-paced growth with 50 clients and staff strength of 8,200 employees. Revenues for the quarter ended March 31, 2008 were \$50.9 million compared to \$39.9 million in the quarter ended March 31, 2007, an increase of 27.8 per cent.

1.5: The 10 best companies to work for in India –A survey in 2010

The 9th Annual survey was conducted by BT-Indicus-People Strong to search for India's Best Employers in 2010. Out of first 10 companies 7 are of them are IT companies. Even as the Indian IT major shone, many other biggies missed getting into the list of the 10 best companies to work for in India. These include L&T (11th), Hindustan Unilever (12th), ONGC (13th), Tata Motors (14th), ITC (15th), ICICI Bank (19th), and Tata Steel (20th). About 9,000 employees from across 1,000 organisations across 800 cities participated in the survey. They were asked to rate companies on six key parameters, namely, career and personal growth, prestige/company reputation, training/coaching/mentoring, financial compensation and benefits, job content, and merit-based performance evaluation. While creative people in advertising and media gave little importance to the company's brand value, the administrative staff gave more value to the brand. The Banking, Financial Services and Insurance and Services accounted for over 10 per cent of the respondents each, software over 14 per cent, manufacturing over 17 per cent, and ITeS accounted for 9 per cent. Education/training, core sector, telecom and health accounted for 6.7 per cent, 5.7 per cent, 4.4 per cent, and 4.2 per cent, respectively.

The rankings are based on what employees think of their present, past and future employers.

1. Infosys Technologies

Infosys is in the No.1 position for the fifth time, out of the 9 surveys (the company did not participate in two surveys), carried out by BT-Indicus. Infosys Technologies was selected as the best employer to work for in 2001, 2002, 2005 and 2006. Infosys and its subsidiaries have 105,453 employees as on September 30, 2009. Infosys, which hired 18,000 people in 2009-10, scores 100 on all parameters. Infosys is one of the most sought after companies in campuses. The rate of attrition at Infosys is 11.6 per cent, according to *Business Today*.

2. Google India

Google India, which boasts of giving freedom to its employees, has been chosen as the second best employer in India. Google employees believe that 'work is fun'. On a worldwide basis, Google employed 19,835 full-time employees as of December 31, 2009, up from 19,665 full-time employees as of September 30, 2009. In India, Google has 2000 employees. The rate of attrition is less than 5 per cent. The company scores the highest on job content and financial compensation.

3. Tata Consultancy Services

India's largest employer TCS is ranked 3rd in the survey of best employers. TCS has over 143,000 IT professionals in 42 countries. The company scores high on job content and financial compensation. According to the survey, TCS is also the most preferred company among IT professionals. TCS hired 8,000 people in 2009-10 and the rate of attrition is 11.4 per cent.

4. IBM

IT seems to be the hot choice for employees with IBM also in the top league. IBM offers freedom and flexibility, according to the survey. Ranked 4th, IBM figures among the top five for the first time. IBM scores high on job content and financial compensation. The company also has the highest retention rates. IBM re-entered the Indian market through a joint venture in 1992. It has 398,455 employees worldwide. IBM India employs 74,000

professionals. Internet was the media for the survey. Social Media (Twitter, Facebook, LinkedIn etc) was employed too.

5. Microsoft India

Microsoft India, which was at the top of the employee charts in 2007 and 2008, has been pushed to the fifth position. Microsoft has over 5,000 employees in India. It scores high on job content and financial compensation.

6. Wipro

IT giant Wipro is 6th among India's top employers. The company has 102,746 employees as of December 31, 2009, an increase of 4,855 people. According to the survey, Wipro is considered a secure and flexible company.

7. State Bank of India

Breaking the monopoly of IT companies in the list of the best employers is public sector bank, SBI. India's largest PSU bank, SBI is the 7th best employer in India. SBI, the largest recruiter after IT firm TCS has over two lakh employees .About 28 per cent of the employees surveyed were above 33 years and 48 per cent were above 28 years.

8. Bharti Airtel

Along with the steady progress in its business, Bharti Airtel has won the hearts of the employees as well. It is ranked 8th among the best employers. The company has 18,201 employees. The rate of attrition is 10.5 to 11 per cent. It scores high on career and personal growth and company reputation. The company believes that people are its biggest assets.

9. HP India

HP India was established in 1988. Ranked 9th among the top 10 employers in India, HP has about 321,000 employees worldwide and 31,000 employees in India. It scores high on job content and financial compensation. One of the best aspects about HP India is that it allows employees to move across jobs internally, says the survey.

10. HDFC Bank

HDFC Bank has been chosen as the tenth best company to work for in India. The company has over 47,000 employees. The bank hired 4,500 employees as of December 2009 and its attrition rate is 15 per cent. Employees find the company transparent and friendly. It scores high on job content and company reputation.

1.6 Indian IT products exploring new horizons

Indian IT companies have a high reputation in the world. The high profile multinational giants are making partnership with Indian IT firms and using the reputations of these IT firms worldwide.

- Tata Consultancy Services has entered into an agreement with Scuderia Ferrari to provide the entire software to the Italian automaker's Formula One cars. TCS will work with the Ferrari F1 team to provide IT-based solutions before, during and between races.
- Satyam is the first Indian company to sign up as a FIFA World Cup Sponsor. This agreement awards Satyam global rights for the 2010 FIFA World Cup in South Africa, the 2014 FIFA World Cup in Brazil and the two FIFA Confederations Cups which fall within the 2007-2014 period as the sponsor and official information technology (IT) services provider.
- *i-Flex's* homegrown flagship banking product 'Flexcube' has been powering over 280 banks across 100 countries including big names like the IMF, DBS and Union Bank of Switzerland. Flexcube has been ranked the Number One selling banking package in the world for the year 2002 by International Banking Systems of the United Kingdom.

The IT industry's contribution to the Indian GDP has increased from approximately 1.4 percent in 1998-99 to more than 3 percent in 2003-04 and more than 7.5 percent in 2007-08. Even from an industry perspective, the attention on the domestic front is quite limited with the domestic IT software and services market constituting around US\$ 3.9 billion in 2003-04 compared to the US\$ 12.8 billion software and service exports market. In fact, revenues from the domestic market account for only 10-30 percent of revenues for players in all segments. However, the domestic market will become significantly more important, particularly for smaller players who will need to tap the domestic market to build scale. Comparisons with other markets, like China, which have similar

demographic and economic profiles, show that the Indian domestic IT market remains constrained largely because of three barriers: Product market barriers, Inadequate focus on the domestic market by industry players, Low government IT imperative.

While most of the early players in the Indian software product space focused primarily on the financial and accounting segments, the newer companies are looking at areas such as business intelligence, security and content.

The total venture capital investment in India grew at a compound annual rate of 42 percent, reaching US\$543 million in 2007. Funds invested in the software product segment grew slightly faster by 43 percent to US\$156 million. IDG Ventures India is a US\$150 million venture fund that has made eight investments in the last 18 months, five of them in the software product space. Soon it will fund another software product firm.

1.7: Reasons for Optimism for Indian IT Industries-Before and after Globalisation

India's software products business started to the early 1980s, when companies such as HCL, Softek, Wipro and TCS launched Unix-based compilers and office applications in the domestic market. According to the NASSCOM-Zinnov study, from 1985 to 1990, India was home to some 350 software product companies.

These companies faced the inherent challenges of the software product business before globalization. Lack of domestic market and a scarcity of skilled professionals with relevant experience enhanced their anxiety. Over time, some of these companies were shut down. Most others transformed into services firms. After 1991 the services business had started to grow and it was a much easier alternative for the IT firms.

While many of the challenges continue, a confluence of factors including a strong and growing domestic market, disruptions in technology and business models, a growing talent base, a well-established "India" brand, and increased venture capital funding boosted the segment after 1991. After globalisation of Indian economy Indian IT players were compelled to build software products for other markets, such as the United States. Before globalisation the capturing of the degree of customer requirements was tough, and marketing the product was expensive. But in recent years, a thriving economy has fueled

the growth of domestic technology demand. NASSCOM estimates that the total domestic IT market (comprising hardware, software, services, business process outsourcing, etc.) has jumped from US\$8 billion in 2004 to US\$23.1 billion in 2008. Over the next few years, India is expected to be the world's fastest-growing IT market, according to the NASSCOM-Zinnov study despite recession. The NASSCOM-Zinnov study anticipates that, in line with Indian companies' increased technology spending, revenue from the domestic market will grow to US\$4 billion to US\$5 billion by 2015. Sharad Sharma, co-chair of the NASSCOM Product Forum and chief executive officer of Yahoo! R&D India, notes that software products are typically formed in the shadow of early adopters and friendly, sophisticated companies. Until now it had been hard to find these in India. Now the possibility exists in both the corporate and consumer sides. Much of the growth in the domestic market, however, will be fueled by demand from the small and medium business (SMB) segment. There are two key reasons for this. First, the NASSCOM-Zinnov study estimates, the SMB share of domestic IT spending will increase from 38 percent at present to 50 percent by 2015. Second, SMBs' requirements and buying patterns open a door for domestic providers. The current growth trend in the IT industry contributes 8 per cent of the country's gross domestic product in 2008. The current growth rate is good enough to push the industry to achieve the 50 billion dollar target on software and services exports by 2008 and this would account for 8 per cent of India's GDP growth and 30 per cent of the export revenues. Currently, the IT sector accounts for 2 per cent of the country's GDP, he said, adding the industry is growing at a CAGR of 50 per cent over the last five years, and last year the industry posted a growth of 30 per cent despite slowdown. The current export figure stood at \$10 billion this year and the time has come that the industry should move up towards intellectual property rights in the areas of products. The important contributions of IT industry to Indian economy are: Software & Services contribute over 7.5 percent of the overall GDP growth of India. IT Exports account for 35 percent of the total exports from India. IT sectors create 2.2 million jobs in 2008. IT industries attract Foreign Direct Investment (FDI) of U.S. \$ 4-5 billion in recent years. Market capitalization of IT shares is around U.S. \$ 225 billion.

1.8: IT in Indian Domestic Market

Indian IT vendors are increasingly turning attention to domestic market. The Indian user industries are outsourcing parts or entire IT infrastructure to specialised vendors. Software & Services includes IT services and Products & ITES-BPO recognizing the growing importance of the domestic market, NASSCOM has put the domestic software and services segment at US\$ 3.9 billion during 2003-04, up from US\$ 3.0 billion in 2002-03.

Table 1.2: Composition of the Domestic IT Market

(US \$ bn)	2002-03	2003-04	2004-05	2007-08
IT Services & Products	3	3.9	4.9	18
ITES-BPO	0.2	0.3	0.6	2
Hardware	3.3	4.3	5.3	7.5
Total Domestic IT Market	6.5	8.5	10.8	27.5

(Source: Ministry of Communications and IT, Govt. of India 2008)

In 2003-04, the hardware segment accounted for approx 50 percent of the domestic Indian IT market. The software and services segment accounted for 44 percent of the market in 2003-04.

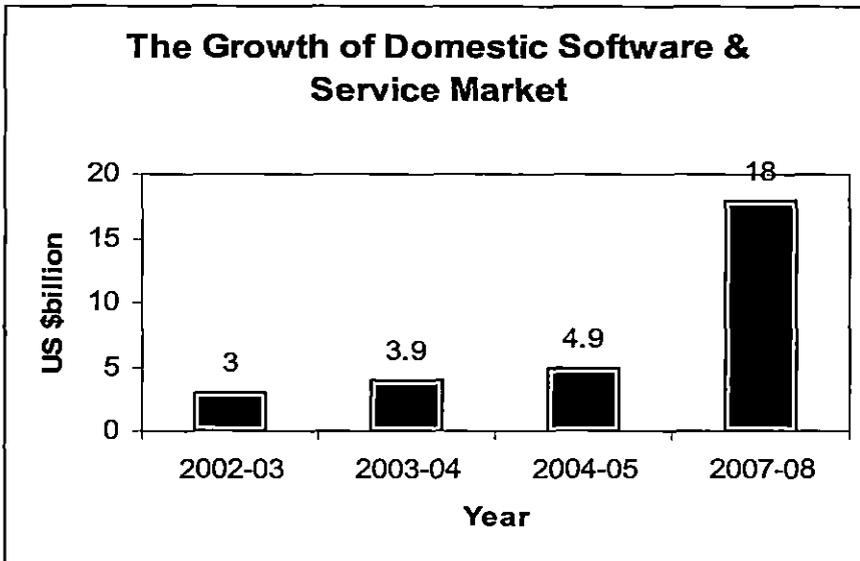


Fig 1.2: The Growth of Domestic Software & Service Market

(Source: Based on Table 1.2)

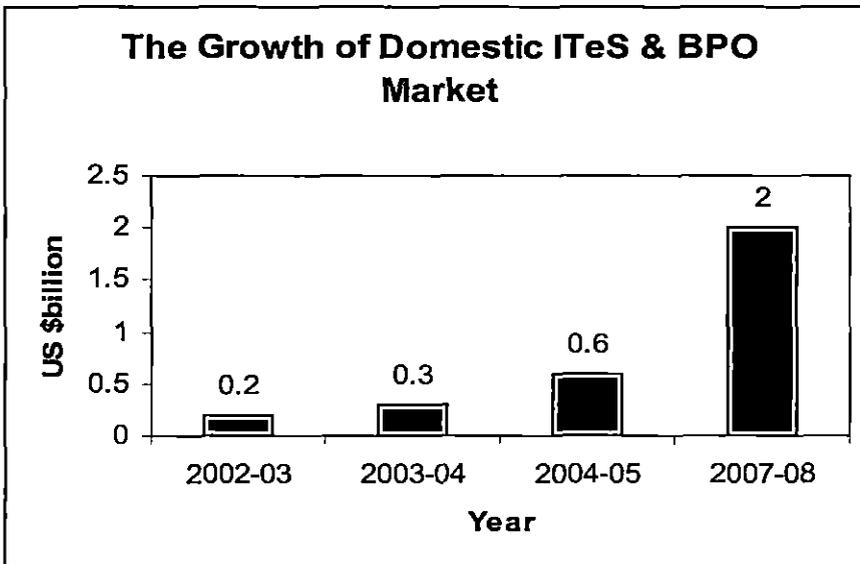


Fig 1.3: The Growth of Domestic ITeS & BPO Market

(Source: Based on Table 1.2)

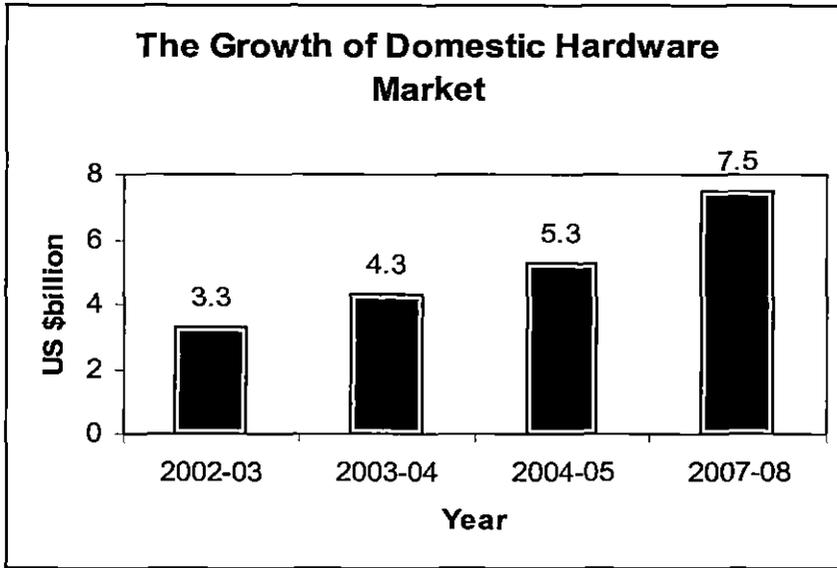


Fig 1.4: The Growth of Domestic Hardware Market
(Source: Based on Table 1.2)

Table 1.3:IT/ITES revenues estimated by NASSCOM in 2008 and comparison with 1998.

(\$ US billion)

	India Based	India Centric	Sub total (International)	Domestic	Total (2008)	1998
IT Services	23	7	30	8.5	38.5	2.1
Software Products	8	2	10	9.5	19.5	0.6
IT-enabled Service	15	2	17	2	19	0.4
E-business	4	1	5	5	10	0.2
Total	50	12	62	25	87	3.3

(Source: NASSCOM Annual Report, 2008)

It is clearly seen from this table 1.3 that the comparison between the revenues of IT Services, Software Products, IT-enabled Services, E-Business in between 2008 and 1998. In every aspect there is a drastic growth in 2008 comparing 1998. This is due to the effect of Globalisation of Indian economy.

IDC (India) Limited, reported that the domestic IT/ITES market revenue has touched Rs. 1,10,000 crore in 2008 while sustaining the growth of 27 percent recorded in 2007. This would result in the market growing at 24 percent in 2008 over 2007.

The year 2008 is set to mark the beginning of Growth Phase 2.0 to be characterised by opportunities arising out of the leveraging of the IT infrastructure built up so far. This was revealed by IDC India, as part of its annual predictions for the domestic IT market for 2008 that serve as a comprehensive reference guide for the industry. The Indian domestic IT market is transforming significantly with the existing IT infrastructure evolving both in technology terms and depth of penetration. Higher demand for sophisticated enterprise and consumer services will drive this trend as the India domestic IT market up-to-date and modern. Indian customers have already started living the digital experience. Convergence is playing an important role in bringing different media together to offer multiple services to customers over the same platform. The Indian telecommunication products market can also be categorised into distinct and rapidly evolving segments. According to IDC fixed-line broadband will emerge as a favoured choice in 2008, though mobile Internet will continue to grow as an alternative Internet access medium. Now virtualisation has become mainstream in 2008 as it gains wide-scale adoption. Enterprises like IT/ITES in India have been the early adopters of consolidation and virtualization. IDC India estimates the share of virtualised servers will be doubled from the present 22 percent to 45 percent by 2010 end. In addition to benefits like ease of management and better resource utilization, enterprises are increasingly becoming aware of additional benefits like design densities, power and cooling. The success stories of virtualisation that have gained momentum are expected to have a positive impact on other segments like Manufacturing, BFSI (Banking and Financial Services Industries) and Aviation during 2008.

IT Solutions (hardware + software + services) delivery witnessed a change in 2010 despite recession with pockets of success and growing awareness setting the stage for wider market adoption. The Small and Medium Business (SMB) segment is going to be a key driver.

The domestic IT spending in India is at an inflexion point and there are numerous opportunities in the domestic sector, which can help catalyze growth in the next 2-3 years.

1.9: The key drivers for the growth of IT in the domestic IT market

- Opportunities in verticals such as Energy, BFSI (Banking and Financial Services Industries), Manufacturing, Education, Telecom and Government.
- Increased penetration of computers in the household and SOHO segments
- Increased investments in IT by the central and state governments in e-governance initiatives
- Rapid adoption of broadband
- Increased usage of non-PC devices especially cellphones
- Increased focus of Small and Medium sized software companies on domestic market

1.10: Domestic IT Market: Key Verticals

1.10.1: Banking and Financial Services:

The BFSI segment accounts for the largest share of the domestic IT market. The major areas in which banks have undertaken IT related investments include computerization of branches,

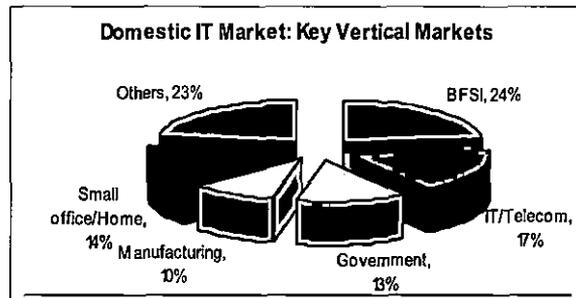


Fig 1.5: Domestic IT Market
(Source: NASSCOM Annual Report, 2009)

VSAT based networking among branches, installation of ATM networks, systems related to handling of credit/debit cards and facilities for Internet banking. An interesting trend, which we are beginning to witness, is the implementation of technology for improved customer service and thereby greater customer satisfaction apart from other significant benefits in terms of increased productivity. Another sector that has seen high IT related

investments has been insurance. The increase has been driven primarily by the increase in the number of players as a result of opening up of the sector.

1.10.2: Manufacturing: IT spending in the manufacturing sector increased by 40 percent in 2003-04 across both process and discrete manufacturing segments, contributing to 10 percent of the total domestic IT spending. Some of the drivers for increase in IT spending in the manufacturing sector were: Adhering to the WTO norms Indian manufacturing companies which were Tier 1 or Tier 2 suppliers to OEMs in India or abroad, to reduce time-to-market and product life cycles, put pressure on manufacturers to integrate with OEMs (both Indian and MNCs), Tier I suppliers, sub-contractors and distributors during product development and process manufacturing need to increase operational efficiency and capital productivity while reducing fixed and variable costs. Need for transactional systems that could integrate with core processes-sales, manufacturing, financial, procurement, inventory and supply chain.

1.10.3: Telecom: Deregulation, mergers and acquisitions, and intense competition have thrown up multi-faceted challenges for the Telecom & Internet Service Provider communities. To sustain themselves in the highly competitive market, the players need to invest in infrastructure, improve quality of service, network efficiency and billing solutions.

1.10.4: Healthcare: Healthcare is one of the fastest-growing verticals in India. The Indian healthcare sector has started focusing on serving customers better, keeping in mind the need to balance a robust and profitable business operation and meeting broader social objectives. The main focus areas have been to improve service to the end-customer, the patient and to increase patient safety. IT has played an important role in providing better systems, thereby streamlining information processes of an organisation, ironing out inefficiencies that grow due to lack of information, increase the quality of healthcare delivery to patients and reduce costs.

1.10.5: Retail: The significant increase in activity in the retail sector has resulted in a growth in IT investments in this sector. Indian retailers have been spending more and more on setting up IT systems and, importantly, plan to hike up their investments in this area in the future. Retailers are also looking beyond basic expenses to higher levels of IT

functionalities. Applications that are very commonly used by retailers include SCM, CRM and e-business solutions.

1.10.6: Government: Government spending on IT is expected to witness a significant increase, owing to initiatives by both the Central and State governments. The government will use web-enabling services, consulting for planning and implementation, apart from the hardware and software needed to build the e-governance platform.

1.10.7: Domestic Outsourcing-The BPO sectors

Domestic business process outsourcing (BPO) industry is emerging to be very important. The ability to transform business and add value is likely to project this pre-nascent industry to success. While IT outsourcing is a starting point in the domestic BPO segment, there is large potential in other areas like finance and accounting as well as many other activities. Bharti's deal with IBM and the more recent managed networks deal with Nokia, the Bank of India-HP deal, the Dabur-Accenture deal etc, point that the Indian market has matured and domestic outsourcing provides a huge opportunity for vendors.

According to the National Association of Software and Services Companies (NASSCOM) out of the total exports, outsourcing services such as software programs, billing, customer management and accounting, grew 44.5 per cent to \$US5.2 billion or 44 per cent of the worldwide total .The outsourcing industry also crossed a milestone in employment. The industry scaled record levels of employment during the last year (2008) with the employee base crossing the one-million mark. Despite the anti-outsourcing laws planned in the US and other regions India was able to attract foreign companies. The strong growth validates the economics of offshore outsourcing. India's offshore value proposition remains the strongest.Positive market indications and strong records strongly support the optimism of the industry in achieving its aspired target of \$60 billion in software and services exports and \$73-75 billion in overall software and services revenue by fiscal 2010. Direct employment is expected to reach two million people in 2010.The 2010 target would mean an increasing contribution of the sector to the socio economic development of the country. According to NASSCOM ,IT-BPO will employ about 2.5 to three million professionals directly in the sector, account for direct

investment of about \$10 to 15 billion and contribute seven to eight per cent of the national GDP by 2010. The Software Industry, which is a main component of the Information technology, has brought tremendous success for the emerging economy. India's young aged manpower is the key behind this success story.

Table 1.4: Examples of overseas acquisitions by Indian IT/ITES companies in recent times (2008)

Indian Company	Acquired Company
Wipro	<ul style="list-style-type: none"> IT infrastructure management company Info crossing Inc. (USA) in 07. Chip design firm New Logic Technologies (Austria) in Dec 05. Semiconductor design firm Oki Techno Centre Singapore Pte Ltd in Sept 07.
Mind Tree Consulting Ltd	<ul style="list-style-type: none"> Purple Vision Technologies Pvt. Ltd, a fully owned subsidiary of global electronic design company TES Electronic Solutions SA,(France)in 07.
Satyam	<ul style="list-style-type: none"> Nitor Global Solutions Limited of UK,a niche consulting firm providing Infrastructure Management Services (IMS) in October 2007. Citisoft, an UK based investment management consulting firm in 2005.
TCS	<ul style="list-style-type: none"> TCS Management (formerly called Total Communication Solutions), a privately owned consulting company in Australia in November 2006. FNS a Sydney based software solutions company in 2005.
Infosys	<ul style="list-style-type: none"> In 2007, Infosys bagged a \$ 250 million contract from Royal Philips Electronics NV which will include Infosys taking over Philips finance and administration business process outsourcing (BPO) centers spread across three countries-India, Poland and Thailand
Sasken Communication Technologies Ltd	<ul style="list-style-type: none"> Leading Provider of wireless R & D and testing services Botnia High-tech Oy (Finland) in July 2006.
Mastek	US based software solutions company Entegram LLC in October 2005.
Subex Systems	<ul style="list-style-type: none"> Telecoms revenue assurance company UK-based Azure Solutions in 2006

(Source: NASSCOM Annual Report 2009)

According to statistics, country's software exports reached total revenues of Rs 46100 crores. The share of total Indian exports from 4.9 per cent in 1997 to 20.4 percent in 2002-03. It is expected that the industry will generate a total employment of around four millions peoples, which accounts for 7 per cent of India's total GDP as in the year 2010. The year 1995-96 was a boom for the industry. The performance of the industry over the years is as follows:

1.11: Employment Statistics in IT/ITES Industries in India (1998-2008)

Employment in IT/ITES Industries after globalization is shown below.

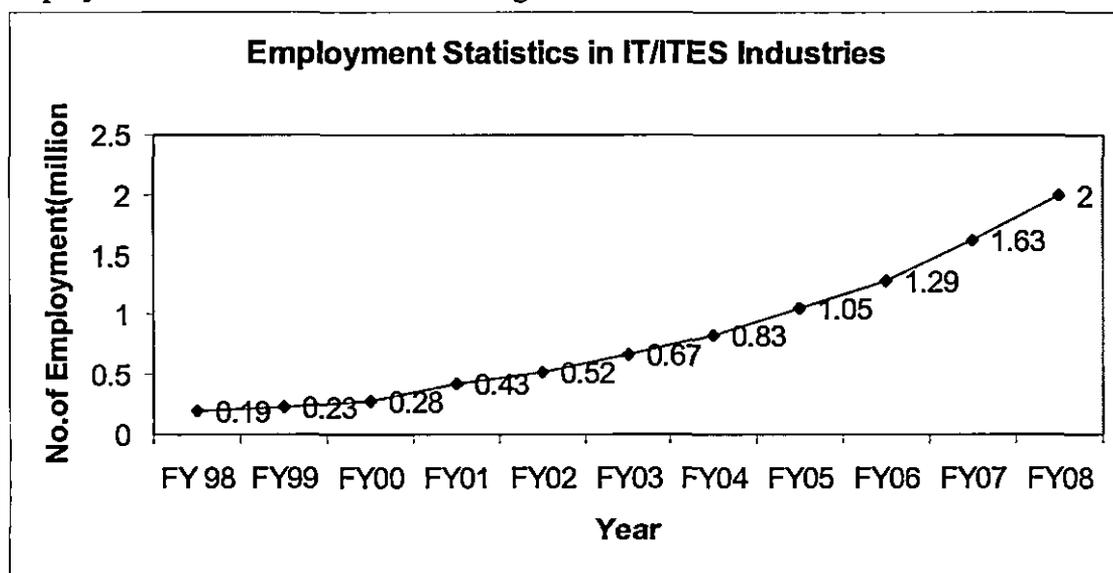


Fig 1.6: Employment Statistics in IT/ITES Industries in India
(Source: NASSCOM Report 2009)

Direct employment in the sector is approximately 2.0 million by the end of FY08. The indirect employment is at the rate of 4 additional jobs created in the economy for the creation of 1 job in the sector. Supply of IT professionals, which was higher than demand till 2004, now has a shortfall of 62,697. Demand for IT professionals is expected to reach 430,000 by 2011-12 with the corresponding figures on indirect employment being 1,720,000.

1.11.1: Diversity in Employment

Besides being the largest employer in the organized private sector, the IT/ITES industry also consciously follows a diverse employment practice and encourages diversity in the work place in terms of qualification, abilities, gender, skill sets.

- **Creating employment opportunities in smaller towns/cities:** By recruiting talent from non-metro towns and rural background, the industry has reached out to the educated resource pool in these places.
- **Large IT/ITES companies often have 33 to 50 percent of their employees coming from non-metro/rural areas.**
- **Encouraging employment of differently-abled:** Through their policy and practice of employing differently abled people, training them and creating a conducive working environment, IT/ITES companies are initiating a trend which could have a significant impact on employment opportunities for the differently abled in India.
- **64 percent of the companies surveyed by Deloitte employ people with disabilities**
- **Opening opportunities for non-technical personnel:** The growing employment opportunities in this sector (both direct and indirect) are not restricted to the better educated or technically educated people alone.

While 75 percent of the employment generated through the indirect route are filled in by candidates who are SSC/HSC or less educated, companies also help under qualified candidates to reach a desired skill level by investing in their training and skill upgradation.

- **Promoting women empowerment:** The growing trend in the number of women employed in this sector indicates that not only does the industry offer equal opportunity to women but also has in place proactive and sensitive mechanisms which counter the common causes that discourage women from pursuing employment in the corporate sector.
- **Women employment in the industry is set to rise to 45 percent by 2010 from the current 30 percent.**
- **Providing high growth opportunities for the youth:** The industry has created excellent employment and fast track growth opportunities for the younger section of the population and is likely to become one of the largest employers of a growing 'young population' of India.
- **The overall median age group of the sector is 28.9 years with 70 percent of the workforce being in the age-group 26-35 years.**

- Creating opportunities for the 'out-of-the-mainstream' candidates: The IT industry through its innovative recruitment practices has also hired persons who would not typically be considered employable such as retired persons and housewives.
- Opening opportunities for the physically disabled persons.

The credit goes to technical young peoples and English-speaking scientific professionals for the success in India's software industry. Presently for further strengthening the industry, the Government has stepped forward with more qualitative institutes. But despite of all these good number of IT professionals leaving India every year to the other developed countries.

Table 1.5: Number of Employees in some ITES companies in Recent times (2008-09)

Company	Employees
Daksh	5,000
EXL Services	4,087
EFunds	3,936
ICICI One Source	3,902
24/7 Customer	2,800
HCL Tech-BPO	2,565
Transworks	1,800
HTMT	1,610
ISeva	700
Sykes	617
NIIT Smart	612
Ajuba	490
Motif	341

(Source: A survey report in Rediff.com, 2009)

1.12: Salary structure of the IT Professionals in India (2003 & 2004)

The DQ-IDC India Salary Survey'04 reveals that with heavy hiring, salaries went up (and satisfaction, down)-but IT companies compensated by hiring more freshers, and paying them less .The spring in the step is back. A year ago, the average hike stood at a mere 7 percent. It's a different story now. The figure for average salary this year stood at Rs 5.7 lakh per annum, up from Rs 4.8 lakh in 2003. That's a growth of 19 percent. The elite DQ Top 20 club upped headcount by 35 percent in 2004, as compared to 28 percent in 2003. A large part of this recruitment happened for entry-level positions. The result: the average salary of employees with less than two years of work experience saw a dip of 12 percent,

and, incidentally, this was the only bracket to see a decline in salaries. For senior employees-those with ten or more years of experience-the jump in salary stood at a whopping 26 percent.

Table 1.6: Experience wise salary structure of IT Professionals-An overview in 2004

Salaries:								
Experience	Less than 2 Years		2-5 Years		5-10 Years		Over 10 Years	
Salary	% of employees		% of employees		% of employees		% of employees	
	2004	2003	2004	2003	2004	2003	2004	2003
Less than Rs 2 lakh	36.5	15.3	9.8	7.5	6	2.9	—	2.3
Rs 2 to 3 lakh	34	48.6	20.7	24.3	10.5	12.3	3.5	3.3
Rs 3.1 to 4.5 lakh	24.5	28	34.1	45.9	15	22.9	9.7	11
Rs 4.6 to 6 lakh	2.5	5.6	22.3	17.6	21.6	30	12.4	20.4
Rs 6.1 to 8 lakh	1.3	0.8	8.4	4.2	20.7	19	7.1	6.7
Rs 8.1 to 10 lakh	1.3	0.5	2.7	0.1	12	9.1	13.3	14.6
Rs 10.1 to 15 lakh	—	1.2	2	0.2	11.7	3.3	28.3	27.4
Rs 15.1 to 25 lakh	—	—	—	0.1	2.1	0.4	17.7	12.5
Rs 25.1 to 35 lakh	—	—	—	—	—	—	6.2	1.5
Over Rs 35 lakh	—	—	—	0.2	0.6	—	1.8	0.3
Average salary (Rs lakh)	2.6	3	4.2	3.8	6.7	5.4	12.4	9.9
% change in average salary	-12%		11%		24%		26%	

(Source: Data Quest Survey, 2004)

Growing Perks of IT Professionals-An overview in 2004

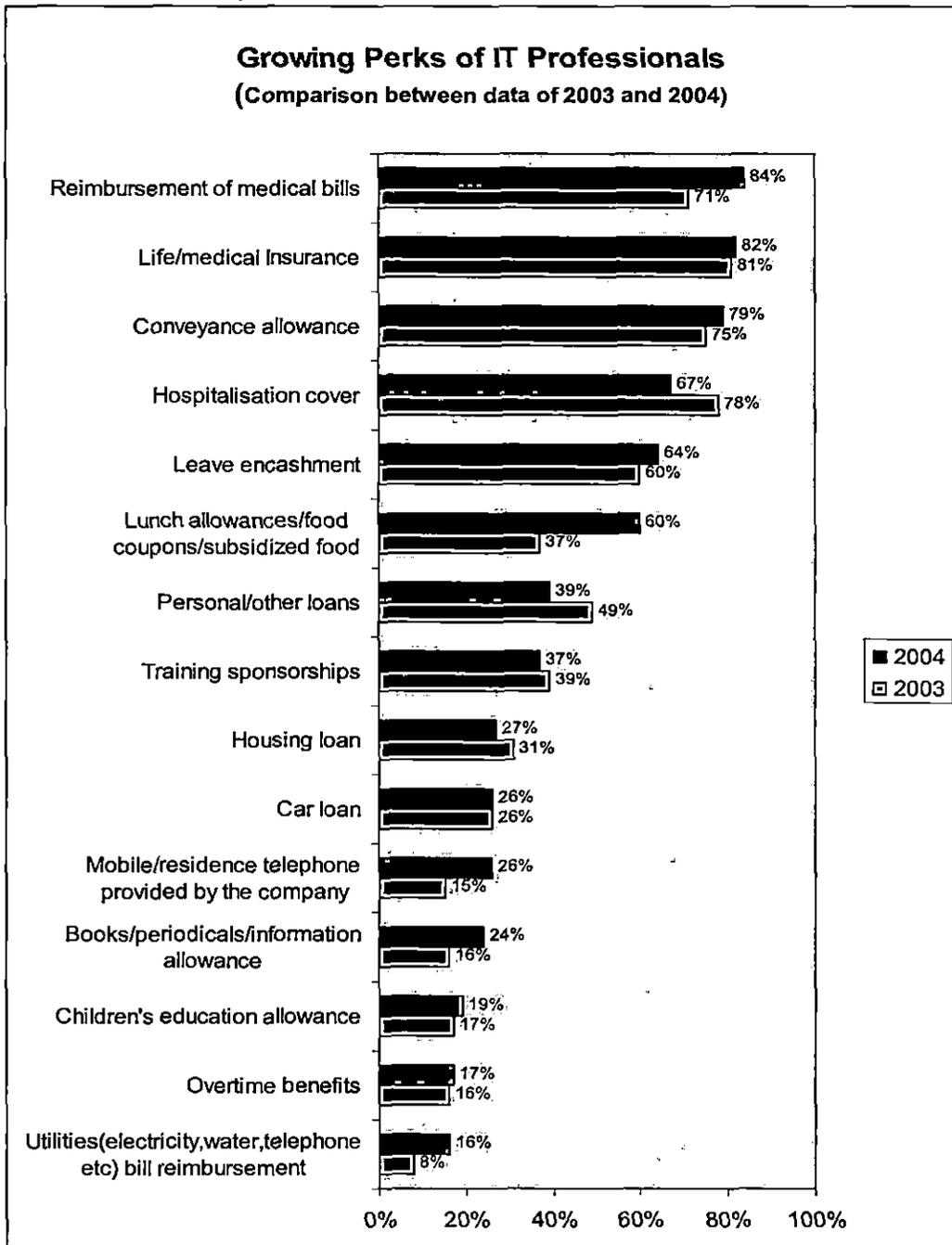


Fig 1.7: A comparison of Growing Perks of IT professionals in 2003-2004
(Source: Data Quest IDC survey 2004)

Table 1.7: A Data Quest-IDC Salary versus Satisfaction Survey Results on IT Professionals in India (2004)

	Top Salaries	Satisfaction
	Rank	Rank
HP	1	8
Cadence	2	1
Philips	3	2
Sasken	4	6
Siemens	5	18
Datacraft	6	20
Infosys	7	14
HCL Tech	8	9
Zensar	9	16
Sun Micro	10	12
Indus Logic	11	17
Ness	12	10
Wipro	13	4
CSC	14	15
Oracle	15	3
Satyam	16	19
Infinite	17	11
Keane	18	13
Mindtree	19	5
TCS	20	7

(Source: Data Quest IDC survey 2004)

Table 1.7 above shows a Data Quest-IDC Salary versus Satisfaction Survey results which was done on 1010 employees from different IT industries in 2004 and it was found that high salary doesn't always mean a high satisfaction with salary. Nor does a rise in salary necessarily translate into a corresponding rise in satisfaction. HP, the best paymaster in the industry, has quite a lot of employees who look dissatisfied with their salary levels. The employees at Siemens also tend to echo the HP employees' views. On the other hand Mindtree, which is near the bottom of the table in terms of size of the packet, has relatively satisfied employees. So does TCS. And Oracle employees are quite satisfied with their salaries despite Oracle featuring quite low on actual salaries. It is results like these that make Maslow's hierarchy of needs look like the absolute truth. For, real satisfaction is an outcome of more variables than just the salary one. For instance, a boring, monotonous work profile could lead to lower satisfaction scores even on the

salary parameter. Overall employee satisfaction is up 9 percent and BPO employees are more satisfied than their IT counterparts.

According to this Data-Quest survey the reasons for joining of the IT professionals to the companies are good work environment, high growth opportunity, and good salary.

Table 1.8: A survey on employees of the ITES Company on their preferred employers (2006)

Companies	% of own employees
EFunds	69
ICICI OneSource	49
Motif	41
ISeva	33
EXL Services	31
HCL Tech-BPO	25
NIIT Smart	24
Ajuba	22
HTMT	21
Daksh	21
24/7 Customer	14
Sykes	6
Transworks	6

(Source: Data Quest IDC survey, 2006)

Table 1.8 states a Data Quest Survey which shows the preference of the employees on their own organizations. Like 69 percent of the employees of eFunds prefer their own organisation. Ranked by employee size, EXL Services emerges at number two, but fails to make it to the top five. ICICI OneSource, the other biggie in the pack, has seen the E-Sat (Employee Satisfaction) score of its employees rise by a good 18 percent from 75.1 last year to 88.6 this year. eFunds, with over 3,936 employees, has also outperformed the industry by upping the E-Sat scores of its employees by 20 percent. The average E-Sat level of the top five companies (in terms of number of employees) stands at 84.6, clearly outperforming the industry average.

Table 1.9: Dream Companies where IT Professionals would like to work-A survey in 2006

Rank	Companies	Percent
1	EFunds	9
2	American Express	9
3	ICICI OneSource	7
4	Infosys	6
5	IBM	5
6	Exl Service	4
7	Daksh	4
8	Microsoft	4
9	HCL Tech-BPO	2
10	Convergys	2
11	GE	2
12	24/7 Customer	2
13	Others	25*
14	Not specified	17

*Includes Wipro, Hewlett-Packard, Hinduja TMT, Accenture and Bank of America
(Source: Data Quest Survey, 2006)

Table 1.9 gives us an idea about how the IT professionals rank their dream companies. Respondents were asked, by means of an open-ended question put to them, to name the one "dream" company they would like to work for. Interestingly the top three happen to be BPO companies, unlike last year when the company at the top was Infosys. At number four in 2006-07, Infosys has IBM and Microsoft, which are not from the BPO space. These companies are in fact the dream companies of a great number of IT industry employees themselves. eFunds' top placement surprises, while Amex jumps eight notches from ninth place last year to the second this year.

1.13: Reasons for Joining to the Software Sector-A Dataquest Survey

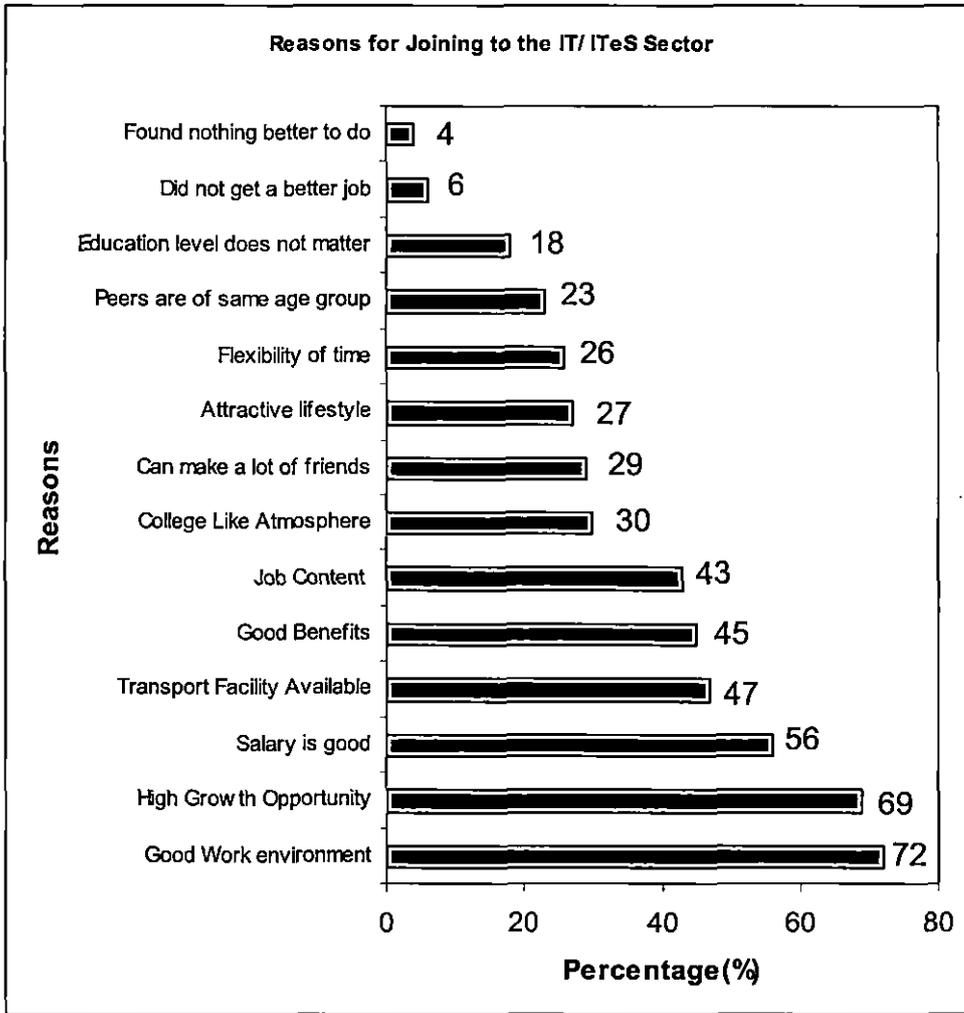


Fig 1.8: Reasons for Joining to the Software Sector (Source: Data Quest Survey, 2006)

Fig 1.8 shows a Dataquest Survey in 2006 results on the reasons for joining to a software sector by the professionals. Near about 72 percent of professionals answered that they have joined IT sector for the 'Good Work Environment'. About 56 percent of the respondents have put a tick mark on Salary option. These factors are very important for the professionals who are migrating to other countries.

1.14: Reasons for Leaving the Organization-A Dataquest Survey

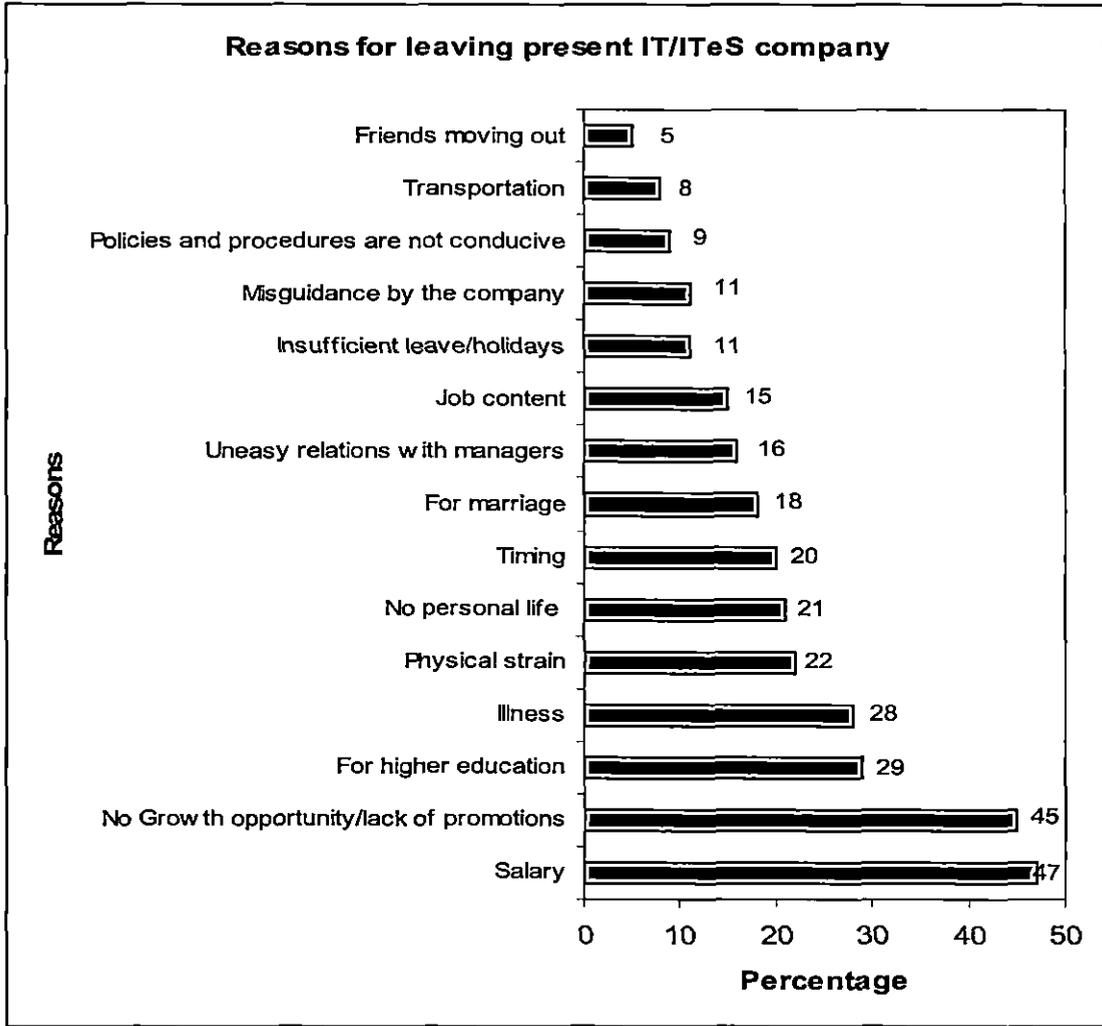


Fig 1.9: Reasons for Leaving Organisation

(Source: Data Quest Survey, 2006)

Fig 1.9 shows the Data Quest Survey Results in 2006 which states that the reasons why the IT professionals leave their organizations. Approximately, 47 percent of the IT professionals feel that salary is the main reason for change. Approximately 45 percent of the professionals feel that the Growth Opportunity is another important reason for change.

1.15: An overview of Migration

Human migration is movement (physical or psychological) by humans from one place to another, sometimes over long distances or in large groups. The movement of populations in *modern* times has continued under the form of both voluntary migration within one's region, country, or beyond, and involuntary migration (which includes the slave trade, trafficking in human beings and ethnic cleansing). People who migrate are called migrants, or, more specifically, emigrants, immigrants, or settlers, depending on historical setting, circumstances and perspective.

1.15.1: Who Counts as a Migrant

The term migrant worker has different official meanings and connotations in different parts of the world. The United Nations' definition is very broad, essentially including anyone working outside of their home country. In some countries, specially the United States, the term has a specific connotation that the work will be low paid. The term can also be used to describe someone who migrates within a country, possibly their own, in order to pursue work such as seasonal work.

The "United Nations Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families" defines migrant worker as follows:

“The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a State of which he or she is not a national.”

1.15.2: Industrialisation and Migration

Actually the pace of migration had accelerated since the 18th century and it had increased in 19th century. Manning distinguished three major types of migration: labour migration, refugee migrations, and, lastly, urbanization. Millions of agricultural workers left the countryside and moved to the cities causing unprecedented levels of urbanization. This phenomenon began in Britain in the late 18th century and spread around the world and continues to this day in many areas.

Industrialisation encouraged migration wherever it appeared. The increasingly global economy globalised the labour market. Transnational labour migration reached a peak of three million migrants per year in the early twentieth century. Italy, Norway, Ireland and the Quongdong region of China were regions with especially high emigration rates during these years. This large migration flow influenced the govt. of the host as well as destination countries in many ways. Immigration restrictions have been developed, as well as diaspora cultures and myths that reflect the importance of migration to the foundation of certain nations, like USA. The United States experienced considerable internal migration related to industrialization, including its African American population. From 1910–1970, approximately 7 million African Americans migrated from the rural Southern United States, where blacks faced both poor economic opportunities and considerable political and social prejudice, to the industrial cities of the Northeast, Midwest and West where relatively well paid jobs were available. This phenomenon came to be known in the United States as its own Great Migration.

The twentieth century experienced also an increase in migratory flows caused by war and politics. Muslims moved from the Balkan to Turkey, while Christians moved the other way, during the collapse of the Ottoman Empire. 400,000 Jews moved to Palestine in the early twentieth century. The Russian Civil War caused some 3 million Russians, Poles and Germans to migrate out of the Soviet Union. World War II and decolonization also caused migrations. A theory was developed by Ravenstein which has a great contribution in migration.

1.15.3: Ravenstein's 'laws of migration'

Certain laws of social science have been proposed to describe human migration. The following was a standard list after Ravenstein's proposals during the time frame of 1834 to 1913. The laws are as follows:

1. Every migration flow generates a return or counter migration.
2. The majority of migrants move a short distance.
3. Migrants who move longer distances tend to choose big-city destinations
4. Urban residents are less migratory than inhabitants of rural areas.
5. Families are less likely to make international moves than young adults.

1.15.4: Causes of migrations

Causes of migrations have modified over hundreds of years. Some cases are constant, some of them do not carry the same importance as years ago (for example: in 18th and 19th centuries labour migration did not have the same character like today).

In general it is seen that the factors causing migrations can be categorized into two groups of factors i.e. Push and Pull factors.

- Push Factors are economic, political, cultural, and environmentally based.
- Pull Factors are economic, political, cultural, and environmentally based.

On the macro level, the causes of migration can be categorise into two main categories: security dimension of migration (natural disasters, conflicts, threats to individual safety, poor political prospects) and economic dimension of migration (poor economic situation, poor situation of national market). Push and pull factors are those factors which either forcefully push people into migration or attract them. A push factor is forceful, and a factor which relates to the country from which a person migrates. Different types of push factors can be seen further below. A push factor is a flaw or distress that drives a person away from a certain place. A pull factor is something concerning the country to which a person migrates. It is generally a benefit that attracts people to a certain place. Push and pull factors are usually considered as north and south poles on a magnet.

1.15.5: Push Factors

- Not enough jobs
- Few opportunities
- "Primitive" conditions
- Desertification
- Famine/drought
- Political fear/persecution
- Poor medical care
- Loss of wealth
- Natural Disasters

- Death threats
- Slavery
- Pollution
- Poor housing
- Landlords
- Bullying
- Poor chances of finding courtship

1.15.6: Pull Factors

- Job opportunities
- Better living conditions
- Political and/or religious freedom
- Enjoyment
- Education
- Better medical care
- Security
- Family links
- Industry
- Better chances of finding courtship

The role of migration in the era of globalisation is regarded to be very important to the developing countries. The migration is in terms of the labour mobility between the different countries. With the concept of globalisation sweeping across the globe, the migration of labour has been a contributing factor to the economic improvement of developing countries. With the free movement of labour across the nations immigration has become one of the major problems to the developing countries of the world. People from the neighboring poor countries often move to more developed countries in order to improve their economic conditions and most of the time with out proper papers and documents. This creates a huge pressure on the host country as the population of the unskilled labour increases and the per capita income come down in spite of a well performing economy. In case of the skilled labours the situation is better as their income contributes to the gross domestic product of the host country.

1.16: Impact of Globalisation on the Migration of Skilled Indian IT Professionals (Brain Drain)

The impact of globalisation has created an international demand for labour. The free mobility of both the skilled and unskilled labour has become important with the transfer of technology between different countries. The labour demands in the developed economies are increasing due to the problems of the decreasing rate of fertility, the opening up of new opportunities, the transformation of the industries with the technological advancements, etc. The developing countries with their huge skilled labour force are catering to the demand for skilled labour in the developed countries. This is called as brain drain. The emergence of India as information superpower is a truth. As a major part of the young Indian professionals are working in several information technology based companies, information technology enabled service companies, software based companies, which has their headquarters in other countries outside India. The future demand for the work force suggests that countries like India and China would supply to the requirement of skilled labour pertaining to the information technology sector, industrial sector, telecom sector, electronic sector, etc. The role of migration in the new globalised world suggests that India is going to be among the next economic superpowers in the forthcoming decades. With the increase in the economic globalisation and the reconstruction of the political and economic machineries, the need for the information and knowledge has increased. The different prerequisites for the skilled labour force have become important aspects in shaping the economy of the country. The role of migration is important as skilled labour migrating to other countries carries the knowledge and the skill sets with them. The vast improvements in the IT sector are the updating the system of training of the skilled human resource, such as technical knowledge, scientific knowledge, ideas and innovations, which have become highly mobile and moving freely across the whole world.

Some questions are aroused in this study here that what are the influencing factors of migration? What are the exact reasons of 'Brain Drain' of IT industries? What is the exact scenario of migration of Indian IT professionals worldwide? What are the demands of skilled Indian IT professionals in countries like USA, Canada, Australia etc? How globalisation affect the migration of skilled IT professionals? This study is an attempt to reveal all these questions.

1.17: Objectives of the Study

The broad objective of the study is to assess the reasons for skilled human resource migration from Indian IT sector as well as the effect of globalisation on their migration. The study will find how the factors of globalisation will influence the IT professionals regarding their migration decisions. The study is an attempt to assess the causes in brain drain in IT sector and the potential demands for trained Indian IT professionals all over the world. The role of women and that of differently abled persons in the IT sector has been thoroughly investigated with the supportive data.

The objectives of the study with special reference to Indian IT sector can be addressed as follows:

1. To study whether the migration of IT professionals is influenced by the combination of the variables like *salary, achievement, cost of living in India, better opportunity of utilizing skill, better working environment, political turmoil etc. or not;*
2. To study whether the migration of IT professionals is influenced by Salary in the foreign countries or not;
3. To study whether the migration of IT professionals is influenced by *Achievement of work* in the foreign countries or not;
4. To study whether the migration of IT professionals is influenced by *Cost of Living in India* or not;
5. To study whether the migration of IT professionals is influenced by *Better Opportunity of Utilizing Skill* in the foreign countries or not;
6. To study whether the migration of IT professionals is influenced by *Better Working Environment* in the foreign countries or not;

7. To study whether the migration of IT professionals is influenced by *Political Turmoil in India or not*;

8. To find is there any significant difference in the *Present job satisfaction* of the IT professionals and their *Job satisfaction before leaving India or not*;

9. To study what roles do women play as IT professionals in India and what migration opportunities they can avail;

10. To study what roles do physically challenged IT professionals in India play and what migration opportunities they can avail;

1.18: Hypotheses to be Tested

After considering the different influencing factors, which are influencing the migration of Indian IT professionals to other countries, the null hypothesis is taken as

H₀₁: The migration of IT professionals is not correlated with the combination of these variables I.e. *salary, achievement, cost of living in India, better opportunity of utilizing skill, better working environment, political turmoil.*

The justification of this hypothesis was to check out the influence of these above factors on migration of highly skilled IT professionals.

The individual impact of these variables (*salary, achievement, cost of living in India, better opportunity of utilizing skill, better working environment, political turmoil*) are also to be tested. So some other hypotheses are also to be drawn.

H₀₂: The migration of IT professionals is not correlated with salary in foreign countries.

H₀₃ : The migration of IT professionals is not correlated with achievement of work.

H₀₄ : The migration of IT professionals is not correlated with cost of living in India.

H₀₅ : The migration of IT professionals is not correlated with better opportunity of utilizing Skill.

H₀₆ : The migration of IT professionals is not correlated with better working environment in foreign countries.

H₀₇ : The migration of IT professionals is not correlated with political turmoil in India.

H₀₈ : There is no significant difference in the present job satisfaction and job satisfaction before leaving India.

1.19: Data Sources and Samples

To address the questions just mentioned we rely on both secondary as well as primary data sources. A questionnaire consisting of 20 questions was prepared and sent through e-mail to the *IT* professionals who are working in different organizations in different countries. The questionnaire comprises some questions seeking responses in a scale of 10(ten). Totally 200 such questionnaires were sent through snowball sampling technique to various *IT* professionals of different organizations like CTS, TCS, Motorola, RS Software, PWC etc. and ultimately 147 were filled up and received back through e-mail. The responses from the respondents were very much enthusiastic and carry ample scope for analysis. A part of the analysis was done by the statistical tool SPSS. This study is basically an empirical study.

1.20: Limitations of the Study

There are several limitations of this study:

1. It was very difficult to collect data from the IT professionals who are working abroad.
2. The sample size was too small because the migrated IT professionals are working all over the world and getting access to them was very difficult.
3. Questions like 'remittances' were not answered by everyone. So the analysis on the IT professional's remittances was a very difficult task.
4. Study had been done among few software organizations through snow ball sampling. It was very difficult to access foreign software companies and their IT professionals.