

## Our software sector's Antyodaya approach is positive for business

4 min read 18 Jan 2023, 11:12 PM IST

Join us 

Manish Sabharwal ,Sunil Chemmankotil

*A tough year for software companies is making their recruitment more inclusive in ways that strengthen them and India too*

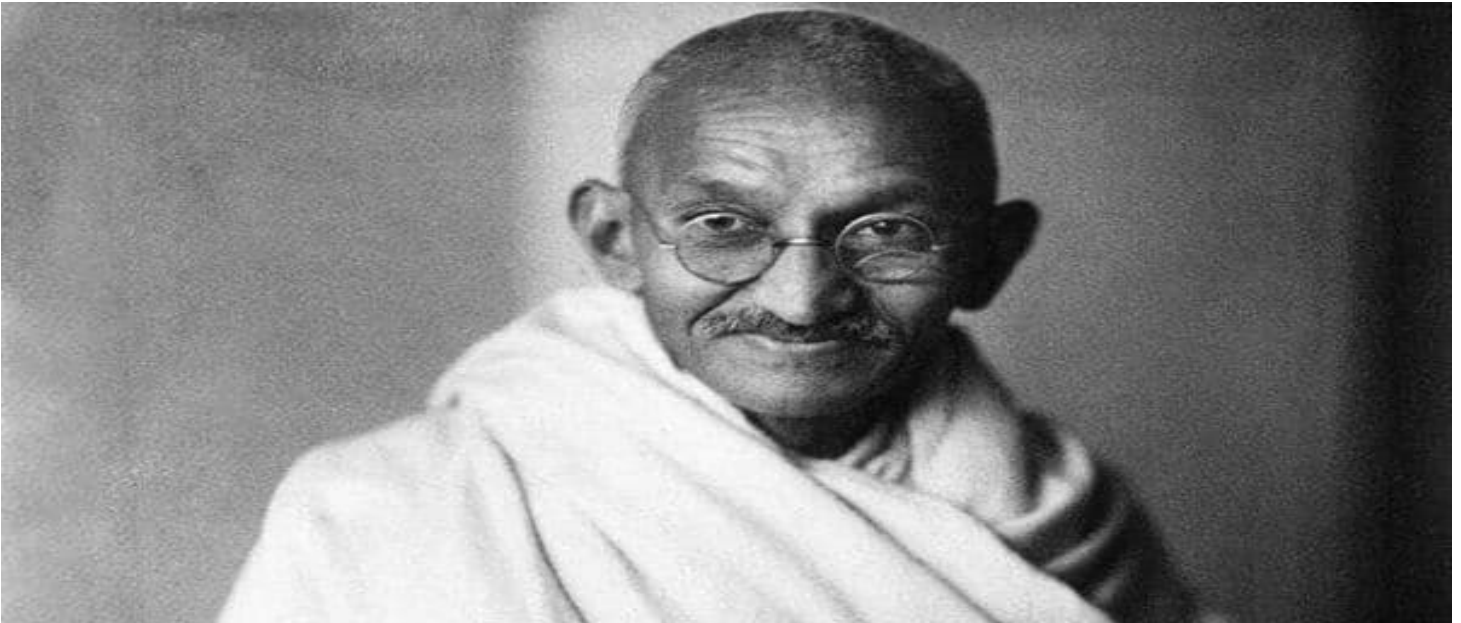


Photo: Getty

James Bond movies puffed up the brand of Britain's Secret Intelligence Service (SIS), but this was double-edged: a recent *Financial Times* story suggests their portrayal of women as "conquests rather than fully drawn human beings" and employees as "upper-class white men in beige chinos and desert boots" meant they rarely attracted women, ethnic minorities, or regionally accented applicants. But it also suggested SIS is changing for a new world of multipolarity, geopolitics and espionage; three of its four director generals are currently women. Our software employers have always been more gender inclusive than the rest of Corporate India, but market challenges this year forced a bold re-imagining of their people supply chains in five ways: geographic, cognitive, workplace, gender and contracts. This increased diversity will amplify their competitive advantage.

Mahatma Gandhi often talked about Antyodaya (the rise of the last person in the line) and Sarvodaya (the rise of all). Jana Sangh co-founder Deen Dayal Upadhyay suggested, "The measurement of economic plans and economic growth cannot happen with those who have risen above on the economic ladder but of those who are at the bottom." Both suggest per capita gross domestic product (GDP) matters more than total GDP for mass prosperity. Our software industry was born a meritocracy, and recent market challenges have strengthened this powerful opening balance by raising the diversity of its people supply chain in five ways. Let's examine these.

Geographic diversity: India's tech employment stock of 5 million is concentrated in eight big cities, but our tech talent flow is not. The map of our engineering education capacity reveals three concentric circles of 28 cities (3,500 engineering colleges with 33% of capacity), 500 cities (with 2,334 such colleges with 35% of capacity), and the rest spread across India. Consequently, less than 20% of incremental annual hires in India's digital industry work in the place where they lived their lives. Moreover, our research suggests that software employment is expanding beyond its current eight cities to 20 new places: Thiruvananthapuram, Ahmedabad, Cochin, Coimbatore, Chandigarh, Indore, Mysore, Vadodara, Madurai, Visakhapatnam, Jaipur, Bhubaneswar, Mangalore, Lucknow, Nagpur, Goa, Salem, Durgapur, Vijayawada and Trichy. These 20 contribute also most of the engineering-graduate supply outside the eight big cities. This expansion allows hiring people unable to migrate or unwilling to relocate outside their home region or state.

**Gender diversity:** A baffling economic mystery has been the country's decline in women's labour force participation. Explanations like women choosing leisure or various domestic activities as household prosperity goes up, rising urban remittances, etc, are unsatisfactory because equalizing China's labour force participation could raise India's GDP substantially. The Indian software industry is better than others at employing women, who make up 34% of its employees and 25% of managers. However, our research suggests women are now about 50% of software entry-level recruitment. Given that women are clearly not 50% of engineering students, this flow difference indicates that the flexibility, safety and work environment of the country's software industry are a winning combination.

**Cognitive diversity:** Only 5% of the Indian software industry is staffed with non-engineers, but our research suggests that 15% of incremental hires are non-engineering graduates. The industry is now hiring to acquire skills in management, design, languages, sociology, anthropology, psychology, etc. The industry's talent crunch and high attrition initially drove this diversification, but now there are other factors like the advent of 'low-code/no-code' platforms, consulting services that increase the pricing power of code writing, and the covid acceleration of digitization to make every company more technology reliant. But the main driver is cognitive diversity; in *The Imitation Game* (a 2014 film), Alan Turing's character says, "Sometimes it is the people no one can imagine anything of who do the things no one can imagine."

**Workplace diversity:** Pre-covid, only 5% of software employees did not do their daily work from a company office or client site. But our research suggests the rise of remote working means this will rise to 20% in the next decade. This 'office' flexibility will lower attrition, enable them to go fishing in hiring ponds that were previously inaccessible, and blunt the divergence between real wages (that employers care about) and nominal wages (that employees care about) on account of lousy urbanization in big Indian cities.

**Contract diversity:** As employment shifts from a lifetime contract to a taxi-cab relationship, our research suggests software employers are moving to multiple concentric circles of employment contracts: full-time, permanent, part-time, consultant, gig, direct fixed term contract, third-party contract, etc. Of course, contract diversity varies between six software employers: global service companies, Indian

service companies, global captives, domestic market unicorns, Indian software as service companies, and Indian non-tech companies. But all contract diversity creates better matches between employers and potential employees, besides raising longevity, memory and also productivity.

Great books, like *The TCS Story* by S. Ramadorai, *Maverick Effect* by Harish Mehta and *Engineered in India* by B.V.R. Mohan Reddy chronicle the people supply chain innovations that helped India's software exports become five times higher than our textile exports. The primary case for people supply chain diversity is always economic and social justice. But, as India's software industry prepares to hire more people in the next 10 years than in the last 50, it has begun an incredible journey of Antyodaya in self-interest that will make its competitive advantage even stronger.

*Manish Sabharwal & Sunil Chemmankotil are, respectively, with Teamlease Services and Teamlease Digital*