A Study on Retention of Talent and Reskilling of Workforce in IT Sector – A Case Study

*Richa Verma - Research Scholar, University of Mysore

**Dr. Srinivas Bandi – Research Guide

ABSTRACT

The purpose of this research is to identify the need to retain the talent and reskilling of workforce. As per a joint report published by industry lobbies FICCI and NASSCOM, 37% of the Indian workforce will be in jobs demanding drastically different skill sets by 2022. In this research we have considered PWC, TCS, Accenture, Infosys, Wipro, Cognizant and HCL reports. The study shows how the latest trends like big data, machine learning, artificial intelligence, virtual reality and robotics process automation is changing dynamics of present workforce and technology implementation in IT sector. It encompasses the need to reskill fresh workforce added every year. We also looked at the need of HR process to be robust so hiring and career advancement are clearly defined to retain high performing talent. The research general findings help HR function to calibrate with the innovation in changing technology landscape. Few challenges in reskilling workforce is to build up a strong framework in HR function and at corporate policy level to identify competency and skill gaps of workforce. The analysis on data points captured from multi-tier framework will design next steps or career path.

Keywords: Reskilling, Retention, Technology, Automation, Workforce, Latest Trends

Introduction

IT industry ensuring that the next generation have access to the education and training that employee need. In this paper we have also focused on the role of HR in digital transformation and retaining employees in IT industry.

Companies need to adapt to the new business paradigm to be competitive, innovative, connected and transparent. The new jobs require higher skills and therefore reskilling has become very important. Reskilling and upskilling has become a topmost priority for employee retention, so every employee knows today if they don't upskill sooner or later they are going to be redundant.

The ability of a person is to acquire a job, able to maintain a job and able to take on a new job is only coming if the individual acquires right knowledge, skills as well as right attitude to take on any job. Reskilling is that major element which is necessary for the proper understanding of digitalization.

Trends of Re-skilling in IT giants
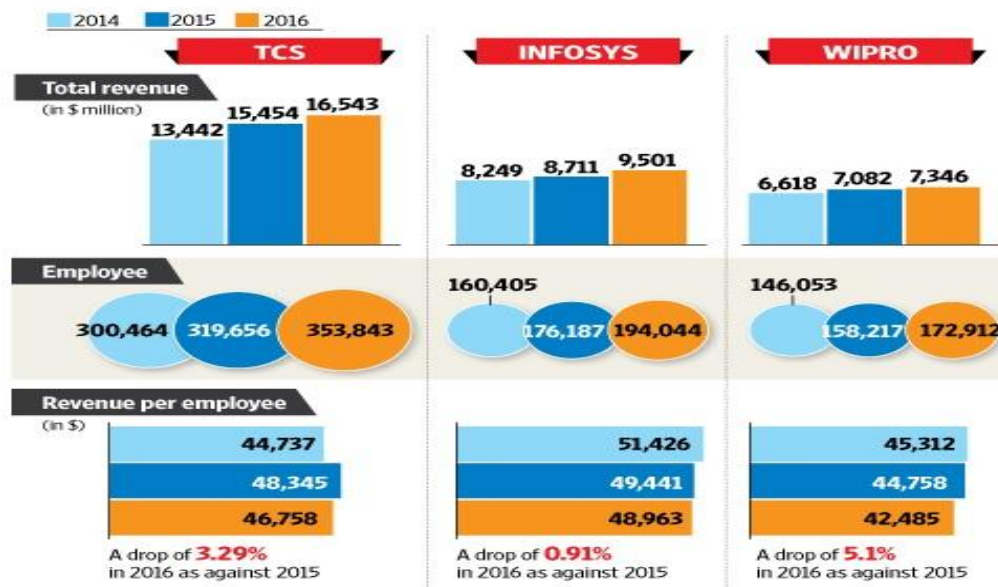
Source: Company factsheets

The analysis suggests that despite constant increase in the employee and revenue – the revenue per employee has been decreasing. This brings the thought to understand the root cause analysis which indicates evolution of new technology. The revenue stream is directly depended on the demand of the technology in market. There has been lot of effort since 2017-18 towards reskilling the existing workforce.

Retention is losing an interest inside an organisation where people want to pursue a career or path and that path doesn't seem to be available for them. There is an opportunity that's not along with the personal interest of employee and if we want to improve retention we have to help our employees to build the skill which they want to build. Also help align those priorities within the organisational projects along with the skill sets that are available. We see a lot of retention when organization fail to understand in what they want to learn and how they want to progress and the gap between the projects that they are winning and the skills that they are attracting becomes greater and greater.

Review of Literature

1. January 3, 2018 - A joint study by research firms ICRIER and LIRNEasia mentioned - Around 70-80 percent of jobs in India can be potentially outsourced. However, it's another matter that the companies are reluctant to hire freelancers for their work. Indian companies are still unwilling to see the benefits of outsourcing to freelancers. The IT industry with turnover of $154 billion employs about 3.9 million people.

2. July 20, 2017 - The Indian IT industry employs around 4 million people according to industry body National Association of Software and Services Companies (Nasscom),

which also says that about 40 percent of them need re-skilling over the next five years to stay relevant in the face of automation.

3. Jul 11, 2017 | Infosys, Tata Consultancy Services, Wipro, HCL Technologies, Cognizant, Tech Mahindra, Mindtree are investing in reskilling their employees in India.

4. 2018 Business Survival Compunnel Digital - Customers will sum up their impressions during all digitally-enabled interactions they have with a company, including its brand, people, and technology, and then decide whether to continue to do business with it or switch to competitors.

5. Oct 18, 2016 – As per the survey done by the name of 'Talent shortage survey' it is concluded that the Employers of multiple companies are facing the shortage of talent since the recession. where more than 42,000 employers were surveyed across the world, 40% are experiencing difficulties filling roles and the highest level since 2007. 48% of India employers report difficulties filling job vacancies due to talent shortages. Hence, skills need continuous and frequent change, employers are looking inside their organisations for solutions, with 36% of Indian employee.

6. 2015 - The annual HR survey report by NASSCOM - India as world's largest growing digital hub, focused on adding new skills. Hiring to remain moderate; technology creating new disruptions.

Research Methodology

This paper purely considers secondary data collected through different company websites and company factsheet.

Sample Selection:

This case study consists of top 6 MNC companies reskilling their employees towards emerging technologies and are located all over India. We have used secondary data for reference.

Data Analysis

NASSCOM report:

Skill Requirement	Market Size	Employment opportunity (by 2025)
Cyber Security	$35 billion	1 million IT security professional

Increasing incidents of cyber-attacks and data protection efforts globally are expected to create USD 35 billion revenue opportunity and employment opportunities for about a million professionals by 2025 for India, as per IT industry body Nasscom.

Reskilling Effort by Top IT companies in India (employees):

Company Name	Reskilled in emerging technologies (employees)	Skills
Wipro	61,000	Focus towards Artificial Intelligence
Cognizant	1,00,000	Focus towards Machine Learning

HCL	18,000	Focus towards Digital Skills
TCS	2,10,000	Focus towards Digital Skills
Capgemini	60,000	Focus towards Artificial Intelligence
Infosys	1,35,000	Focus towards Artificial Intelligence

This systematic and comprehensive performance evaluation process triggers a series of actions, such as mentoring, retraining and up-skilling.

Impact of Reskilling – IT Industry

Less Hiring		
Company	Net addition FY 2017 (employees)	Net addition FY 2016 (employees)
Infosys	6,320	17,857
TCS	33,380	34,187
Wipro	8,570	14,695

The reskilling of existing employees has directly impacted the number of new hires being done in the FY 2016 and FY 2017. There has been a significant decrease in the numbers as compared to the previous year.

Findings, Suggestions and Challenges

1. TCS has invested in training 2,10,000 employees in various skills and emerging technology like Digital skills. Infosys has trained 1,35,000 employees in different departments with also focus towards Artificial intelligence. Cognizant has reskilled 1,00,000 employees with strong initiatives towards Machine learning.
2. The companies need to create a robust mechanism to analyse:
   a. Industry pulse and new technology
   b. Train the existing workforce towards the new opportunity or emerging technologies.
   c. Measure the outcome after reskilling and make any changes from adaptability stand
3. Employees are key to the success of the companies, their willingness to be part of the change is very important. The HR or stakeholders need to be able to show the value add reskilling brings in a long term prospective
4. This also helps in retention as being in IT industry and doing the set works sometime becomes monotonous. Reskilling add the required change which ultimately profits the employer.
5. Employees should have their own personal management tools and daily focuses in a way that it should work on their weaknesses and strengthens
6. Future Skills should help India maintain its competitive edge. The combination of man and machine can be very effective, and we need to see technology.

7. Employees should not manage their Time but manage their Focus. We as a reskilling organisation of the world should address it to ensure that the new Indian IT professional has a designer mindset.
8. Employee should also consider personal integrities and self-discipline as a parameter for self-reskilling process.
9. Being close to the customer enables to understand what the opportunities in the markets are and transform yourself align.
10. The investment on the reskilling is high, the ever-changing technology landscape of the IT industry makes it difficult to train the workforce frequently. India will be able to meet the requirement of the world. Next century is not Asia's but Indian century to come.

References –

1. https://economictimes.indiatimes.com/jobs/70-80-per-cent-jobs-in-india-can-be-potentially-outsourced-study/articleshow/62269144.cms
2. https://digital.compunnel.com/siteassets/downloadable-pdfs/ebook/digital-business-survival-guide.pdf
3. http://www.newindianexpress.com/business/2018/feb/19/pm-modi-inaugurates-world-congress-on-it-says-india-best-placed-to-leverage-technology-1775618.html
4. https://edgenetworks.in/2017/07/12/reboot-infosys-tcs-wipro-hcl-re-skilling-employees-beat-automation/
5. https://economictimes.indiatimes.com/jobs/48-of-indian-employers-up-against-talent-shortage/articleshow/54913657.cms
6. http://www.indjst.org/index.php/indjst/article/view/107324/0
7. www.namexijmr.com/demo1/wp-content/uploads/2015/04/2016_jan._june_1.pdf
8. https://www.thehindubusinessline.com/info-tech/re-skilling-employees-helps-top-it-companies-thrive/article22733743.ece
9. https://www.moneycontrol.com/news/trends/it/it-reboot-how-infosys-tcs-wipro-hcl-are-re-skilling-employees-to-beat-automation-2323469.html
10. https://factordaily.com/reskilling-indian-it-sector-nasscom-bcg/
11. https://www.pressreader.com/india/business-standard/20170429/281938837810974
12. http://www.livemint.com/Industry/dU17UMnunpXFcKyaOlKBVP/TCS-Infosys-Wipro-see-decline-in-revenue-per-employee-in-F.html
13. http://www.business-standard.com/article/companies/infosys-tcs-join-global-tech-reskilling-drive-for-1-million-workers-118012500059_1.html