



Reality check

THERE was this story doing the rounds, perhaps apocryphal, of a software professional who came to an interview for a job toting a cellphone. The position, a lateral movement into the company, was a prized one with all the accompanying perks. As the company spelt out the goodies, he took time out to dialogue with a rival company on how it could match the offer! Temerity, it would seem, but a reflection of the times.

Call it the software pros' hubris but the drop from Mount Mammon has been swift and hard and their plight of late will find little sympathy among the 'old economy' workforce which watched with griping envy the six-monthly compensation reviews, the dollar-denominated salaries, US appointments and the ease with which they flitted from job to job. Infotech, it seemed, could do no wrong as industry and personal fortunes surged in one mighty spiral.

The slowdown in the US economy and the accompanying retrenchments there has had repercussions on Indian companies. The most immediate fallout has been on salaries

and the attrition rates in software companies. As one senior manager of a top software company gloated, "They aren't going anywhere now; most would be happy just having a job."

Attrition rates, in fact, said one HR manager, have fallen by 75 per cent, which could even create a different kind of problem for the HR department. "We should have a healthy attrition rate, not an unreasonable one, otherwise you'll find the deadwood still stuck with us when, in normal course, they would have gone on to other jobs," he complains.

Dotcoms too are in the doghouse as the bottom dropped out of many of them. An IIT-IIM employee of one such high-profile pure play dotcom recalls how in their heyday, he was besieged by half-a-dozen calls a day imploring him to join this or that company. However, a year on, nobody's calling. All of a sudden, to be a dotcom-er, is to be out in the cold where new jobs are concerned. People who quit advertising and marketing companies to join dotcoms are scrambling back to

industries they are familiar with in double-quick time.

Annual 50 per cent pay hikes in software companies are a thing of the past as a front-page news report in *Business Line* said. HR heads of a spectrum of software companies interviewed have indicated that salary levels across the industry would be more or less flat. In some cases, organisations may even pull back something given in the previous half-year. As the HR head of a top software company told *Praxis*, the demand-supply equation did force organisations to pay whatever is required to attract, retain and motivate people. In addition they were also forced to introduce a number of soft measures in the organisation.

Says he: "If the supply improves due to lesser opportunities in the US or within the country, it is possible that several companies will pay salaries as are required by the situation. It is a pure marketing act revolving around demand-supply."

So, is there a challenge in it all for the human resource function in a software company? Never been greater, as they try to balance the well-being of the employee as well as that of the company. As one HR manager pointed out, the biggest impact is in terms of managing the sentiment of the industry and the people in it. After all, if the demand for all software services does pick up, it's not a matter of cranking up the machines to meet that demand as in this business one is dealing with the human psyche.

It's not all doom and gloom for software pros, point out HR managers. The current view is that while the salaries for mass jobs may become reasonable, the special skills will continue to create the need to pay them as well as the industry has been. Significant too is the fact that companies that use software, both in the US and India, will look to squeeze more value out of their existing investments.

While tech budgets may be down, companies cannot cut down on their maintenance and enhancement expenditure. Only, they will look at getting more efficient as well as outsourcing their critical application work, maybe from companies in India. The question is: Are Indian companies up to it? Earlier, with the demand for software

people, clients were willing to train people with some basic knowledge on their systems there.

However, that market has disappeared as clients look to offshore development. This has also created the glut of software workers with low-end skills on the bench in the US. "Too many warm bodies floating around," comments a HR manager, referring to the body-shopping phenomenon. And, while it's true that software pros may be coming back, probably soon in droves, they may not find jobs waiting for them. It's not a one-to-one mapping; their skills may not find requirements.

HR managers say that the profile of the skill set required will undergo a change. The Java man may not be extinct yet, but it's not a skill that would find many takers. What clients will now look for is not just programming expertise but domain and platform knowledge too. Software pros would need to know the intricacies of sectors such as retailing, healthcare and banking as that's where the real growth could be coming from.

What about all that pampering with health clubs, swank offices, tennis courts, concierge services and corporate getaways? Enlightened companies will, of course, continue to keep the softer measures going, though they may not go overboard with it. IT is a highly networked, interactive business which demands a continuous amount of work. It's not a 9-to-5 work ethic. So if companies can create a conducive environment for work with such sops to help people be more productive, it's to their advantage.

However, in all this brouhaha, it should be realised that the software industry will continue to have a growth far higher than some of the other industries. Requirement for people has not stopped either. TCS has announced plans of adding at least 4,000 freshers to its workforce of 15,000 software professionals this year. Cognizant Technology Solutions expects to add around 1,100 people to its workforce of 3,300, with plans to invest in adding another 1,500 people next year. So, jobs still abound for the software tribe. Only, the party may be over. ■