



Indian Staffing Federation

STAFFING INDIA'S GROWTH

Event Report

**NATIONAL CONCLAVE
STAFFING: THE FUTURE OF EMPLOYMENT**

**ORGANISED BY
INDIAN STAFFING FEDERATION**

29th May 2013
Hotel The Leela Palace Bangalore
#23, Kodihalli, Old Airport Road
Bangalore 560 008

Session I: Recognising staffing as a choice of employment

Session II: Staffing 2020 - Next growth step for IT & BPO

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Executive Summary

The Indian Staffing Federation (ISF), an apex body of leading staffing companies in India organised a National Conclave “Staffing: The Future of Employment” at the Hotel Leela Palace on the 29th of May, 2013 in Bangalore. The event saw participation from the Staffing Companies, IT Companies, Other Corporates, and Academia in significant numbers.

The event was kicked off by Ms Rufina Fernandes, CEO, ISF, welcoming the delegates to the Conclave and setting the context. Ms. Fernandes gave an overview of ISF to those who were not very well acquainted with it, and shared statistics and nature of the current and potential market opportunity available to ISF members besides emphasizing on how ‘staffing’ can play a significant role not only in Nation building but will also benefit job seekers, employers and society as a whole.

The event had two panel discussions – one, focusing on ‘Recognising staffing as a choice of employment’ was moderated by **Mr Soumen Basu**, Ex-Executive Chairman, Manpower Inc. & Ex-COO, Standard Chartered Bank. The panelists were – Mr Harsh Gupta, Commissioner of Labour, Government of Karnataka, Mr Manish Sabharwal, Chairman, TeamLease Services and Mr Manmohan Kalsy, Executive Vice-President, HR, United Breweries.

Mr Basu in his closing remarks of the session stated that all the stake holders like current and potential workforce and user companies, should get together to make Staffing as preferred choice of employment which will enable to create more awareness and thereafter also lead to a recognition of Staffing as an Industry by Government as well.

Mr Basu concluded stating that it is upto all the stake holders to come together to get the engine of the ‘how’ moving in the right direction, if not staffing being a preferred choice will be at risk and more importantly ‘hope’ for the next generation also will be at risk.

The second panel discussion was on, 'Staffing 2020: Next growth step for IT & BPO', was moderated by Mr K Pandia Rajan, President, Indian Staffing Federation, Non-Executive Chairman, Ranstad India, Chairman & MD, Ma Foi Strategic Consultants and MLA, Govt. Of Tamil Nadu. Members on the panel were, Mr Anil D'Souza, Senior Manager, Global HR Shared Services, Microland, Mr Nagendra (Venky) Venkaswamy, Managing Director, India and South Asia, Arista Networks Ltd, Dr. Pallab Bandopadhyay, Director, Human Resources, Citrix Systems and Mr Samuel Christopher Doss, Lead Practise Head – Service Resource Planning (SRP) Ramco Systems.

Mr K Pandia Rajan concluded the second session stating that all staffing companies should be geared up to meet the next transition of growth that is being witnessed in the IT/BPO industry and that there is a reason for the existence of the Staffing industry which is a critical part of the value chain. He also stated that he has heard from various sources that, the IT industry is in a big transition – Outsourcing 2.0. Both IT and Staffing industry need each other and can be partners by 'force of context' today. This partnership has to be nurtured and help in raising the identity of Staffing Company, wherein by year 2020, crores of people should be working for Staffing Companies making 'Staffing 2020' a reality.

Mr Kamal Karanth, Chairperson, Southern Region - ISF and MD, Kelly Services, presented the 'Vote of Thanks', appreciating the contribution by various members including the media and delegates that resulted in the resounding success of the event. He concluded on a positive note stating that the Bangalore event was the first in a series of interventions by ISF's Southern chapter to listen, learn, internalize and act towards creating more opportunities for the Staffing Industry.

SESSION I: RECOGNIZING STAFFING AS A CHOICE OF EMPLOYMENT



Ms Rufina Fernandes requested **Mr Soumen Basu** to take over the role as the moderator for the 1st Panel Discussion on 'Recognising Staffing as a choice of Employment' and invited him to take the podium. Ms. Fernandes introduced **Mr Basu** as one of the thought leaders in the setting up of the ISF, who also was the Ex-COO of the

Standard Chartered Bank before moving on the Manpower Inc where he had played the role of Executive Chairman.



Mr Soumen Basu set the context for the Panel Discussion stating that India is at an inflection point, in terms of how it has to go forward in developing of what is potentially the largest workforce in the world, which to this day remains a challenge. He stressed on the 'employability' factor and said that recognizing

staffing as a 'choice of employment' is the responsibility of the employers as well as employees and all the other stake holders in the coming years. Having said this, he invited the panelists to take the stage and introduced each one of the panelists.

Panelists:

- **Mr Harsh Gupta**, Commissioner of Labor, Government of Karnataka
- **Mr Manish Sabharwal**, Chairman, TeamLease Services
- **Mr Manmohan Kalsy**, Executive Vice-President, HR, United Breweries



Mr Basu introduced Mr Manmohan Kalsy the Head of Human Resources with the UB group and also Mr Manish Sabharwal as one of the pioneers of the Staffing Industry with having started two start-ups in the industry (India Life and TeamLease). He

added that Mr Sabharwal had contributed to the Labour Reforms by being a member of the National Skills Development Council (Prime Minister's office). Mr Basu touched upon the taboo and the perception of the Staffing Industries in the eyes of the stakeholders despite the flexibility and its cost-effectiveness. He hoped that the panel discussion will help throw more light of the nuances of the Staffing Industry, thereby helping to change this perception – specially on:

- Temporary staff who are not considered on par with the permanent employees by employers;
- staffing itself is not recognized as an industry in India;
- while staffing plays a key role in providing adequate opportunities and security but it requires the effort of all stakeholders to make a positive impact.

He said the key question is:

1. How to change 'mindsets' across the board and across the stakeholders' community.
2. What are the critical reforms that are required to make 'Staffing' a choice of employment?
3. How to align employees, employers, lawmakers, academia to the 'changing world of work'?

4. How to get the industry recognized and how to promote staffing at the base level in academia (the future workforce) and finally what are the skills that are needed to be developed and how do the staffing industry go about developing the skills to handle the challenges of employment as the workforce goes ahead in its career.

Mr. Basu invited each panelist to share their respective view points.

Mr Manmohan Kalsy commenced his remarks with a neutral perspective referring to a tenure in his earlier company in the Telecom industry, where they had intelligently used staffing firms for non-core positions as there was a huge requirement. Although the task assigned was non-core, but it was very critical to the company's business plans as it had to keep competition at bay. The company did not regard staffing as a short-cut to avoid liability but a smart and intelligent management choice. He went on to say that 'Staffing' can be positioned as a choice of employment by companies intelligently.

Mr Basu welcomed **Mr Harsh Gupta**, Commissioner of Labour, Government of Karnataka and invited him to share his insights on the topic. **Mr Gupta** greeted all the delegates and fellow panelists and appreciated the setting up of an organisation like the **ISF** which he believed will act as a '*platform*' to '*voice*' issues. He added that most of the time in the Government the perception of staffing companies is similar to how they treat "contractors", where majority of them do not adhere to the laws. However the perception towards Staffing organisations is changing because of organizations like the ISF.

He also said the ISF can act as a '**pressure group**' especially for non-performing contractors and bring them into the professional line of thinking of the 'staffing companies besides acknowledging the role of companies such as TeamLease and others engaged in skill development, who can play an important part in filling up the required skill gaps.

He stressed the fact that there is a huge requirement of skilled manpower in the Government departments especially departments like IT and most of the time the departments find it challenging to address these challenges. He said it will be good if the core group (from staffing companies) are deployed with the Government to provide the right solutions.

Mr Gupta also added that core teams in staffing companies who have the domain knowledge in the IT space are required to put systems and processes in place in the Government departments, where there are resources, infrastructure and funds are available, but not the 'know-how'. These processes have to become sustainable carrying forward the knowledge chain in the organization. The Government departments have huge targets for people to be skilled ie 40 lakh people in Karnataka itself. There are also budgets allocated to upgrade the systems. But only by partnering with the 'Centres of Excellence' (staffing industry), the solution can be provided.

Mr Basu invited **Mr Manish Sabharwal** to share his insights on the topic.

Mr Sabharwal was of the opinion that India continues to remain a 'poor' country and from a 'high growth low inflation' economy it has become a 'high inflation low growth economy', with the fiscal deficit out of control. To reduce poverty, it is important to create an 'infrastructure of opportunities' and that is possible only through fixing the 3Es (education, employment and employability).



- ❖ The Staffing industry can offer the choices and provide jobs that will have a positive impact on the nutritional, educational and public policy outcomes in a way no 'subsidy' can" stated Manish Sabharwal

Mr Sabharwal said that the labour market transitions are from **rural to urban; farm to non-farm; un-organised to organized; informal to formal** and **school to work**. India's 3 mismatches – *geographic, skills/education* and *sectoral* have to be fixed at the earliest and the country's failed matching ecosystem has resulted in dysfunctional employment exchanges that gave two lakh jobs to the four crore people registered. Despite the high population, India has only 0.25 million apprentices, while Germany has 0.6 million and Japan has 2 million. When compared to China which has taken 'people to job', India in 22 years has neither taken 'people to jobs' nor 'jobs to people'. The sub-scale of enterprises is related to informality, which is related to the Labour laws in-turn. The problems that existed in the labour market since the reforms in 1991 continues to exist – 12% jobs in manufacturing, 90% in the informal sector and 50% self employed. Growth has not led to any transformation of the labour market.

He added, the agony that staffing companies face is the 'employability'- the 3 problems are "matching", "repair" and "prepare" besides the geography-related work problems like the physical, sectoral and the change in the 'world of work' and of course the market failure of which the employers, employees and banks are a part of.

Mr Sabharwal also mentioned that the 'world-of-work' has since transformed from permanent to changing environment, with more people working on a contractual basis. Academia is also not producing skills what the employers require. There is a market failure in skills developments which include - employers willing to pay for trained candidates and not for training the candidates; candidates are willing to pay for jobs and not for training; banks are agreeable to pay for candidates with guaranteed jobs and not for training, and as this result, the training centres are running under-utilized.

Mr Sabharwal stressed that the labour market institutions needs to be rebooted as there will be 10 lakh students entering into labour force every month for the next 20 years. The existing labour market institutions are not ready for this impossible trinity of *cost, quality* and *scale*.

He added Innovation lies at the intersection of the 3Es and an 'unemployed' or 'unemployable' India is not a 'free' India. The Government is aligned vertical and the problems are horizontal. Potential workforce should be offered the choices and that is possible only when the employment exchanges are revamped, national, vocational qualification framework needs to be passed, certificate regime needs to be fixed, apprentice act needs to be changed, etc. The Government agrees to the above challenges, but how they have to be done is a bigger challenge. He quoted the Spanish philosopher of the 14th century who said the best way to do 'charity' is to give someone a job.

Mr Sabharwal continued to say that the 'staffing industry' can offer the choices and provide more jobs which will have a positive impact on the nutritional, educational and public policy outcomes in a way no 'subsidy' ever can.

Mr Basu addressed **Mr Kalsy** as an employee engagement specialist and asked him on how is he making staffing as the employment of the future, besides what are the key things that could be done towards engaging contract staff more actively in bringing them in to the general domain of engaged workers in an organisation.

Mr Kalsy replied that while the company works with the permanent staff on their career plans the balance of the organisation which comprises of temporary staff will have a vanilla output of the HR function but the framework in terms of employee engagement has not distinguished between the on-roles and the off-roles, eg., birthday parties are celebrated for both in the same manner. Airtel the company he previously worked had a policy manual on how to treat an Associate and had set ways defined for the whole engagement framework besides having a dedicated HR manager for associates in each of the 23 circles it operated.



- ❖ Manmohan Kalsy urged that 'Staffing' is a smart and intelligent management choice and it can be positioned as a 'choice of employment' by user companies

Mr Basu thanked **Mr Kalsy** and took the discussion to a different level, where the Core teams at Senior levels go in to the Client's company and turn-around sick companies, eg. Ex Citibank team were deployed at a sick bank in Pakistan (Habib Bank) and turned it around as a profit centre (ready for sale in the market place). He asked **Mr Kalsy** if he sees diversification and project led executives with higher skill sets becoming more relevant in Client's companies.

Mr Kalsy agreed that this is an extremely strong strategic tool (interim or flexi-mangement) is a proven way to do that, however he admitted it was not through staffing companies but consultants. So he said there was scope for pools of senior expertise available for both Indian and Global operations that enable the user company to be on a certain path towards profit.

Mr Sabharwal intervened to say that the question has moved from 'permanent versus contract' to 'formal versus informal'. He said the concept of a sales person in a FMCG organisation is not 'permanent' with the attrition rate so high amongst the young workforce, so permanent and temp staffing in this case becomes irrelevant. What is important is 'formal versus informal'. Regulations must ensure that the staffs are getting

their regular salaries and safety laws applicable and benefits paid, as all this is important in the employer's point of view.

Mr Basu addressed **Mr Sabharwal** 'Given the current Indian demographics, what are the 2-3 concrete measures the nation can take to bring the potential workforce into a stream where they can exercise choices?'

Mr Sabharwal replied that the potential workforce should be offered the choices and that is possible only when the employment exchanges are revamped, national, vocational qualification framework needs to be passed, certification regime needs to be fixed, apprentice act needs to be changed, etc. The Government agrees to the above challenges, but how they have to be done is a bigger challenge. This point can be addressed if the 'execution deficit' of the Government, 'trust deficit' of the Private sector and the 'scale deficit' of the NGOs can be fixed, through all the three working together. The staffing industry can offer the choices and provide more jobs which will have a positive impact on the nutritional, educational and public policy outcomes in a way no 'subsidy' ever can.

Mr Basu asked **Mr Gupta** on what were the fundamental changes he sees as happening and not to disappoint the large workforce in any substantial way?

Mr Gupta replied that the solution is known, but the scale is huge and with the complexity involved, as there cannot be revolution in the Government but measures have to be taken be done step-by-step (evolution) to bring about positive changes. But speed can mean sense when there is a public – private partnership leveraging technology and e-governance.



- ❖ Harsh Gupta appreciated the setting up of ISF which acts as a 'platform' to voice labour and staffing issues. He also stressed on the fact that ISF can act as a 'pressure group' specially for non-performing contractors and ensure they are brought into the professional line of thinking of the Staffing firms

Mr Basu then threw open the floor for questions from the audience.

Q. Mr R P Yadav (Genius Consultants) asked **Mr Gupta** that there are any small contractors who do not adhere to the laws, is there any work going on in the Government that big contractors are given more benefits and secondly is there any way that soft copy of the required documents are only to be maintained while submitting the details to the Government.



Mr Gupta replied that in the Government, there exists a procedure called, Quality cum Cost Selection, where the contractors will be assessed on their Technical qualification standards, the scale of operations, etc., for selection process.

Secondly, the Government is already thinking of simplification of laws and processes in a structured way. All government departments may soon adopt that, thereby making the processes less tedious to the public

Q. Arti Mehta from Goldman Sachs addressed a question to **Mr Sabharwal**, stating that in her opinion India is not a poor country as there are a lot of resources. What is needed is to create a system and manage these resources well. Is staffing industry taking adequate measures for capturing the resources and deploying them. Do companies



have to partner big companies like IBMs' and Accentures' of the world to capture the human resources/ workforce (who did not choose their parents or pincodes) and bring them to the metros to work and what are the challenges that have to be addressed in the process

Mr Sabharwal was surprised to know that people assume that India is not a poor country as 26% of India lives on less than US\$1.6 a day. But he opined that one of the best ways to reduce poverty would be by providing formal, non-farm jobs. However the 'matching' problem, 'repair' problem and a 'prepare' problem can be fixed by the staffing industry. That is the difference between Employment Exchanges and Staffing Companies where-in the latter do the inter-city matching well. Most of the youth need more than 3-months training. Ofcourse there is the, 'attrition risk', 'learning risk' and 'productivity risk', for employers manufacturing their own employees.

Q. What are the steps taken by the government in the direction for skill mismatch and on the social security coverage?

Mr Sabharwal responded that the government is taking several steps, like 22 states have a State skill development mission. They have a budget which is distinct from the Central Budget. There are 10 Employment exchanges now, that are a Private-Public Partnership. NSDC has done a reasonable job of creating an ecosystem and making funding available. The Apprenticeship act will come into force soon. The National Vocational Qualification Framework which creates a corridor where you can use your 3-month certificate as an opening balance for a 1 year diploma, so on and so forth, is going 'live'. Community colleges are offering 2-year degree programme and lot of other steps are being taken. The space has been created for experiment and innovation. But nothing much has moved in the Labour Reforms as India always needs a 10-year therapy session for any reform to happen.

Mr Gupta added that the Government has done a lot in the Social Security area as well. Measures are adopted by Government especially for construction workers, starting from health insurance. The Vajpayee Arogya Scheme for BPL families exists and now there is Re. 1/kg rice scheme has been implemented and all these are 'Rights based benefits'. However many BPL families are not aware of their rights.



Q4. Amitha from Klay Schools said she enjoyed the talk of **Mr Sabharwal** when he mentioned 'Freedom' is the ability to make choices and 'independence' is different from freedom. From a woman's perspective she wanted

to know how the Government and the temporary staffing industry is addressing the challenges of what women are facing post childbirth, despite they being qualified and employable.

Mr Gupta in a lighter vein stated that probably there should be a law where the 'Husband' must take care of children. But there are other safety measures being taken for the benefit of the women as per the Government laws.

Mr Kalsy said, this was a 'real issue' and probably working from a remote location may be the answer and corporates must rise above on this particular issue and address it, and not just pay lip service to the same.

Mr Sabharwal said that whatever benefits can be implemented for the woman workforce post child-break will address only 10% of the labour force that is formal. There is still a large 90% of the informal workforce where the benefits cannot be applied. Only if there are labour law reforms, something can be done, so we have to reduce 90% of informal employment.

Mr Basu concluded the panel discussion stating that it is upto all the stake holders to come together to get the engine of the 'how' moving in the right direction, if not staffing being a preferred choice will be at risk and more importantly 'hope' for the next generation also will be at risk.

Ms Fernandes thanked the moderator and the panelists and requested **Mr Kamal Karanth** to hand over token of appreciation to all participants in the discussion.



SESSION II: STAFFING 2020: NEXT GROWTH STEP FOR IT & BPO

The second panel discussion was moderated by Mr K Pandia Rajan, President, Indian Staffing Federation, Non-Executive Chairman, Ranstad India, Chairman & MD, Ma Foi Strategic Consultants and MLA, Government Of Tamil Nadu.

Ms Rufina Fernandes invited **Mr K Pandia Rajan** (KPR as he is fondly called) on stage and take the role of the moderator for the second Panel Discussion. Ms. Fernandes informed the delegates that Mr. Rajan being a pioneer in the staffing industry has also been a great support for ISF as it's President.

The IT industry, although of facing various challenges currently, is always expected to do brisk business. To keep up with the pressures of delivering, the sector needs to find unique ways to achieve their objectives. Staffing can become one of the important channels which are expected to be a major form of engaging the workforce across Industries including IT. Several companies have already embraced staffing as a strategic tool for managing their projects both in India and abroad. IT industry is expected to adopt 'Staffing' as the preferred means to man their projects.

Mr K Pandia Rajan touched upon the evolution of the staffing industry over a period of two decades and where the staffing companies fit in the value chain of IT Companies. Staffing was called 'deputation' 20 years ago and the 'Associate' was called as a 'Deputee'. In the IT/BPO sector, companies like Infosys, Wipro, TCS, etc., themselves were into body-shopping and acting as competitors for the staffing companies.



Mr K Pandia Rajan mentioned there were times where staffing companies would enjoy 55% margins and there were times it fell down to 4.5 – 5%. Some Clients had started to look at staffing companies as 'strategic partners', with a few setting matrix for

measuring the value that staffing companies add them in the long run. Some companies had blended it as a product offering where staffing plays a strategic part and ofcourse there were some firms who did not find the need of staffing firms. Having said this he invited the panel members to the session.



The panelists included **Mr Anil D'Souza**, Senior Manager, Global HR Shared Services, Microland; **Mr Nagendra (Venky) Venkaswamy**, Managing Director, India and South Asia, Arista Networks Ltd; **Dr. Pallab Bandopadhyay**, Director, Human Resources, Citrix Systems and **Mr Samuel Christopher Doss**,

Lead Practise Head – Service Resource Planning (SRP), Ramco Systems.



- ❖ Dr. Pallab Bandopadhyay said “Organisational identity sinking into the individual identity is a powerful part of the Indian ethos. However, the transition of ‘organisational’ identity to ‘professional’ identity in the IT industry is a boon to Staffing Companies”.

Dr Bandopadhyay opened the discussion with how the organizational identity sinks into the individual. Employees like to associate themselves with companies that give job security, longer term tenure and post retirement benefits, etc and look up to the large firms in which they are employed. However these days ‘Staffing firms’ offer the same benefit, but employees, largely are yet to accept this and comfortable to be associated with the ‘staffing

company'. But, transition of this 'organisational' identity to 'professional' identity in the IT industry, which is here to stay, is a boon for 'Staffing Companies'.

Mr Pandia Rajan confirmed that the organizational identity sinking into the individual identity is a powerful identity of the Indian ethos. The kind of temporariness of the IT industry, the caste system in there, Staffing companies should be more aggressive in moving up the 'value chain' and the ability to spot a 'competency' and bring it to the table and deploy them in the IT companies. **Mr Pandia Rajan** acknowledged the fact of what **Dr Bandopadhyay** was suggesting that the IT and the Staffing industry are dependant on each other which is good.

Mr Pandia Rajan next invited **Mr Nagendra** to share his views.



- ❖ Nagendra (Venky) Venkaswamy observed that staffing companies should position themselves as a trusted advisor or a strategic partner, rise above transactions and becoming involved in 'nation building'

Mr Nagendra (Venky) observed that there is a strong underlying trend that is happening where a whole lot of people are working on 'Nation Building' and the staffing industry should plug into this trend, which means that they should rise above transactions. There is a leader in every sector and similarly in the IT space who rise above transactions. The Staffing companies should position themselves as a trusted advisor or a strategic partner and help clients in meeting their business objective, thus become involved in 'nation building'.

He added that the Staffing Industry today is where the IT industry was in 1997-2000, when the IT Industry were servicing to global companies similar to what the staffing industry is

doing to the Indian industries today. He further added that companies are willing to pay a premium to high skilled manpower in the IT space for a short time period, thus making temp staffing firms important. So staffing firms should become value creators contributing to the net outcome of the client's company and not vanilla, low-value, low margin business, eg. A Mckinsey Consultant brings in value to the Client's company, they are indispensable value creators in user companies. There is scope for high-end skills, which is the need of the hour, like virtualizations, data-centres and cloud, with the IT companies undergoing a fundamental change. Staffing companies should match the trends to avoid low-end work, gain respect without the scale but the scope. Staffing companies should have the ability to spot skills in short supply and bring them to the table.

Mr Pandia Rajan thanked **Mr Nagendra** for his insights on redefining the IT/ITeS industry. Although scale gives respect to staffing companies, the scope (matching) the short supply of skills will give a premium position to the staffing companies. Staffing companies should plug into the megatrends in the IT industry on par with peers.

Mr Pandia Rajan requested the staffing companies in the audience to ponder on how many of these innovations has the staffing industry built in itself and what kind of obstacles are seen in the service offering.

Having said the above, Mr Pandia Rajan invited **Mr Anil D'Souza** to share his insights on this subject. **Mr D'Souza** spoke on a positive note that if given a chance that he would source his the entire delivery team from a Staffing Company, which is actually good news for the staffing industry. However the challenges that are stopping the organizations to go for staffing on a large scale is because there is scarcity of good governance (quality of performance management, legal compliances, paying salaries on time and providing all other benefits), in some staffing firms. Once this governance (is put in order, many companies will opt more and more for Staffing Companies). He also added that Staffing companies must build a sense of belonging in the minds of their Associates. In addition to this, the Associate should also have the 'connect' with the Client's company.



- ❖ Anil D'Souza remarked that if given a chance he would pick the entire delivery team, except for the 5% of the strategic top management, from the staffing company if there is enough value addition from the temp staff.

Mr D'Souza stated, 'Good governance', 'connect' and 'good deployment of tripartite agreement' are three most critical aspects for staffing firms who are servicing the IT and the BPO companies, must develop and/or possess.

Mr Pandia Rajan pointed out the kind of Governance the Staffing Companies should possess – quality on-boarding, quality on performance management, quality of paying salaries on time and adherence to legal compliances, etc.

He added that the 'Connect' is the question of 'identity'. What kind of identity do Staffing Companies consciously bring to their Associate is important. There is a high level of commoditization in the Staffing Industry, where in there is acute price-pressure staffing industries are facing with the IT/ITeS industry, which has to be addressed.

Mr Pandia Rajan invited the next panelist **Mr Samuel Doss** to comment on the discussed topic. **Mr Doss** remarked that the staffing companies should create the confidence within the IT/ITeS companies in order to gain more traction. If staffing companies can act as 'partners in progress' with their client companies, then the IT /user companies will be willing to outsource majority of their workforce (except the employees at the strategic levels). Client's company should also be able to measure performance of the Associate that enables to scale up to higher levels and meet the demands of the IT/BPO industry. Staffing companies should bring service-based technology (SRP) that enables to scale up to higher levels and meet the demand of the IT/BPO industry



- ❖ Samuel Doss said he would pay the Associates more and increase the margins of the Staffing Companies if all the 3 indices –‘quality’, ‘on-time performance’ and ‘delivery’ are fulfilled.

KPR thanked **Mr Doss** and opened the floor for questions.

Q1. By Mr R P Yadav to Dr Bandopadhyay - Your company is in the business of virtualization with 12-15% contract staff, what kind of things do you do in terms of compensation, social security so that they stay in your company for long and what kind of tenure do you provide them with your company?

Dr Bandopadhyay clarified that they do not employ directly but go through staffing company for temp workforce. Being a product company, they provide benefits such as free transport facility, breakfast, lunch or dinner to all staff (including Associates) and in the long run, if they find the Associate good, they absorb them into the company.

Mr Nagendra also added that MNCs do not differentiate between their own staff and contract staff and look at the workforce as a common headcount number. Customers are never told if they are direct or contract. There is absolutely no difference between the two, except where the pay check comes from. He mentioned, however the Indian Companies look at them differently.

Mr Pandia Rajan asked **Mr D’Souza** on where do staffing Companies meet their waterloo. What makes you to choose a staffing Company among others?

Mr D'Souza answered that he would choose a staffing company who will “own transactions to closure”. Eg., the staffing companies should take care of every aspect of the Associate.

Some staffing companies exist where processes are matured and are doing well and he would opt to work with such firms.

Q. Will you take 100% of your staff from the staffing industry. If so what is stopping you from doing so?

Mr D'Souza said, 100% of the manpower cannot be sourced from the staffing industry, as there is key 5% at the strategic level who belong to their own company. However, if the staffing industry can deliver services which will add value, then many companies will use Staffing companies to a great extent, even in terms of headcount.

Q. Since there were no more questions from the floor, **Mr Pandia Rajan** in conclusion asked a last question to all the panelists ‘Everybody in the staffing industry is going up the value chain, but today there is commoditization which is seen in the market, where, there is a price pressure, therefore what would convince a user company like them, giving your own unique reality and emerging market reality to pay more to the staffing Company in order to do good governance, value addition, training, etc.?’

Dr Bandopadhyay replied for him scale is not required and he would go for skill based pricing rather than experience based pricing. Scarcity of right skills is acute and 9 out of 10 user companies will pay staffing firms for those skills.

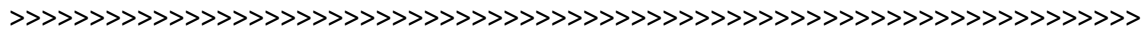
Mr Nagendra said he would rather own the expertise/skills himself in his own company but would go the Bharti way, where the company had outsourced fibre, datacenters to staffing companies after signing SLA.

Mr Doss said he would pay the Associate and increase the margin of the Staffing Company if all 3 indices – ‘quality’, ‘on-time performance’ and ‘delivery’ are fulfilled.

Mr D'Souza said, he would pay more for value, if the staffing company acts as strategic partners with his company and not just a 'transactional hub'.

Mr K Pandia Rajan summarized that there is a reason for the existence of the Staffing industry which is a critical part of the value chain and wherever he travels he keeps hearing that the IT industry is in a big transition – Outsourcing 2.0. Both IT and Staffing industry need each other and can be partners by 'force of context' today. This partnership has to be nurtured and help in raising the identity of Staffing Company, wherein by year 2020, crores of people should be working for Staffing Companies making 'Staffing 2020' a reality.

Mr Kamal Karanth thanked everyone – sponsors, Ramco, Collebra and Artech, the panelists, delegates, ISF secretariat, Staff of Hotel Leela Palace, the media representatives and all the members of ISF and invited everyone for lunch before breaking for the day.



Sponsors for the Event

Collabera is an American Multinational Corporation established by an American of Indian origin Hiten Patel in Morristown, New Jersey, United States. The Company is assessed at CMMI Level-5 quality metrics and provides value driven turnkey information technology services and solutions to Fortune 500 organisations from BFSI, Retail, Telecommunications, Media, Energy, Technology and Manufacturing Industry Verticals.

The Company employs over 8000 professionals across more than 25 offices and 4 world-class delivery centres in Us, UK, India, Singapore and Philippines. It delivers a full portfolio of services that include Consulting, Application Development and Management, Independent Testing Services, Enterprise Software solutions, Product Engineering Services, Business Intelligence & Data Warehousing, Mobile & Wireless, Infrastructure Management as well as professional services.

Ramco Systems, headquartered in Chennai, is a part of the USD 1 billion Ramco Group focused on Consulting, products and managed services business. Started as a R & D division of Ramco Industries Ltd in 1992, Ramco Systems was later established as an independent company in 1999. It provides solutions to multiple verticals including banking, insurance, manufacturing, supply chain, aviation, transportation & logistics, healthcare, governance, retail, etc.

The Company has 17 offices spread across India, APAC, US, Canada, Europe, Middle East & Africa. It focuses on providing innovative business solutions that can be delivered quickly and cost-effectively in complex environments.

Artech Infosystems (Artech India) formerly known as Softek Pvt Ltd is an IT Co with its core competencies in the areas of software products, turnkey project management, IT consulting & Staff Augmentation, Infrastructure management and Recruitment Process Outsourcing.

Artech's major operations are in the USA, India and China. Artech India has positioned itself across the country to provide a wide range of services in accordance with Client's requirements. It operates CMM Level IV compliant state-of-the-art solutions development centres at Noida and Bangalore. The Company has its clients focused in Pune, Hyderabad and Kolkata.

National Conclave: The Future of Employment

Wednesday, May 29, 2013

9:30 am – 1:30 pm, Grand Ballroom, The Leela Palace, Bangalore

Program Structure

0930 hrs	Registration
1000 hrs	Welcome and Keynote Address
1015 hrs	ISF – The agenda and way forward Rufina Fernandes CEO, Indian Staffing Federation
1030 hrs	Session 1: Panel Discussion Recognizing Staffing as a choice of employment Panelists: Harsh Gupta (IAS) Commissioner of Labour, Govt. of Karnataka Manish Sabharwal Chairman, TeamLease Services Pvt. Ltd. Manmohan Kalsy Executive Vice President - Human Resources at United Breweries Ltd. Moderator: Soumen Basu Ex-Executive Chairman, Manpower Inc.
1130 hrs	Coffee Break
1200 hrs	Session 2: Panel Discussion Staffing 2020: Next growth step for IT & BPO Panelists: Anil D Souza Senior Manager Global HR Shared Services at Microland Nagendra (Venky) Venkaswamy Managing Director ,India and South Asia at Arista Networks Ltd Dr Pallab Bandyopadhyay Director Human Resources, Citrix Systems Moderator: K Pandia Rajan President, Indian Staffing Federation, Non-Executive Chairman, Randstad India, Chairman & MD, Ma Foi Strategy Consultants and M.L.A, Govt. of Tamil Nadu
1300 hrs	Vote of Thanks Kamal Karanth MD, Kelly Services and Chairperson South, Indian staffing Federation
1310 hrs	Lunch

Press Release copy

Staffing 2020- the future of employment primarily in IT sector

- *Flexi hiring in IT industry to increase from 10% to 20% by 2020*
- *The global staffing market also projects India to be among the largest staffing countries along with China, Brazil and South Africa.*
- *By 2025, it is expected that 10% of the overall workforce in India could be working in a flexible capacity through staffing companies*

Bangalore, May 29, 2013: Indian Staffing Federation (ISF), an apex body of flexi staffing industry in India comprising of about 30 members from the staffing industry, today organized a National Conclave on Staffing – The future of Employment to galvanize the recognition of staffing as a choice of employment both by employers and society. At a time when a burgeoning black economy is pervading, staffing could be a cost effective and strategic approach taken by the IT companies. The conclave was well attended by bureaucrats, IT professionals, educational institutions, members from the staffing fraternity and HR heads of respected industries among others.

The Indian IT and ITeS industry is considered as the pioneer in organized staffing and is expected to witness a high level of flexi hiring in the next few years, with the penetration of temporary workforce in the segment being expected to grow at 20% per year across sectors. Perhaps, flexi staffing industry when it comes to the IT sector is estimated to stand at approximately 950 million USD this year. Globally it is a 180billion USD industry. Worldwide including India it is estimated that IT staffing constitutes 66% by value and 35% by volume and is the fastest growing segment.

Mr. K Pandia Rajan President, ISF said, “Although the industry has been facing a tough time amid the global economic slowdown, there has been buoyancy in flexi hiring among IT companies in India. IT firms are swiftly adopting the practice of hiring flexi staff in order to beat margin pressures, maintain lean benches and also facilitate just-in-time hiring in a highly volatile market. The firms are increasing their flexi staff count in non-core activities and services to focus more on core activities. Keeping the current situation in mind we are expecting more and more IT companies to adopt Staffing as the preferred means to man their projects.”

Ms. Rituparna Chakraborty, Vice President, ISF, “It is high time now that people across all industries should start recognizing Staffing as a future of employment. Indian Staffing Federation along with all its staffing member companies is working constantly towards erasing such stigma and bringing dignity to this form of employment. At the recently held CIETT World Employment Conference, where ISF represented India, it was evident that India is among the top Asian countries when it comes to flexi staffing and can easily outnumber

all countries in the next of 12 years with the sheer size of flexi-staff deployed in the formal sector, given the opportunity. By 2025, it is expected that 10% of the overall workforce in India could be working in a flexible capacity through staffing companies.”

Harsha Gupta, IAS, Commissioner of Labour, GoK, “IT industry has put India into the World map. We recognize the immense contribution that the staffing Industry will make to enable the IT Industry further and the challenges it faces. In consultation with the concerned stakeholders we are working on plugging any gaps that might exist. Would urge staffing companies to come forth and play a greater role in skilling of today’s youth as they are best positioned to.”

About ISF: Indian Staffing Federation (ISF) was set up by leading staffing companies in India with one common goal - Staffing India's Growth. Staffing - an established form of outsourcing globally - is yet to be recognised and adopted as an effective means of running a business in India. The Staffing Industry provides a platform for recognised employment, work choice, even compensation, annual benefits and health benefits for the temporary workforce that constitutes a sizeable segment of India’s total workforce. The purpose of ISF is to enhance long-term growth of the staffing industry and to ensure its continued ability to make positive contributions to the economy and society. The principal focus of the Federation's activities shall be to strengthen triangular employment relationships, in which the staffing company is the employer of the temporary worker, who works under the supervision of the user company.

Press Coverage



Press Coverage

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