



Friday 29th July 2016

Research Tender

IT firms in India – sustainable employment practices

Purpose: IT services firms operating from India have been successful in persuading MNCs to outsource significant parts of their IT operations to skilled but cheaper staff based in India. They compete for business with customers' internal IT departments, and their Western and Indian peers. Firms now employ tens or hundreds of thousands, and many Western companies have significant bases of their own in India.

We believe that the manner in which employees are treated and the opportunities given are important indicators of a company's time horizon, and we believe that if labour is treated poorly then at some point other corners will be cut.

We therefore wish to understand better which IT services firms have the most sustainable labour practices, especially in the context of firms hiring thousands of graduates each year, but also seeking to shed a certain number to maintain a cost structure. Quantitative measures are important, but there must be more to it than merely attrition rates or starting salary packages.

We are interested in original quantitative measures and attempts at a qualitative judgment of which firms are best placed for the *next ten years* and see treatment of staff as a lens through which this might be examined. Learning which firms adopt potentially risky or short-sighted measures is also valuable.

Requirements:

- i) Attempt to compare and contrast labour practices of *Indian based rank and file* staff of outsourced IT companies in India.
- ii) Use original quantitative and qualitative measures. Both inputs and outputs should be considered (e.g. salary as an input; attrition as an output as an unoriginal example).
- iii) It may not be possible or appropriate accurately to score or rank companies – we would be happy with quartiles or even just an evidenced discussion of some of the best, worst and most original practices.

Detours to be avoided:

- (a) Any explanation of why labour practices are important.
- (b) A history of the sector or of employment law except where it directly pertains to the question.
- (c) Obsession with being able to score precisely an inherently grey area.
- (d) Obsession with executive pay. Some comparisons and contrasts may be useful but this project is interested in the other 99%.

Scope:

No more than twenty pages total.

Examination of at most ten or a dozen companies as we wish the exercise to contain significant subjective even anecdotal material.

Please include examples of the larger listed Indian firms. We would hope some (not necessarily all) of: TCS, Infosys, Wipro, HCL, Cognizant and Tech Mahindra are discussed.

In addition it may be appropriate to consider subsidiaries/divisions of Western firms with significant Indian operations. One or two small or unlisted firms may be appropriate just by way of contrast.

Where illuminating, other companies employing thousands of skilled staff for outsourced services may be appropriate (e.g. outsourced engineering, outsourced financial back office etc.).

Tender specifics:

Please submit a proposal by email (maximum of two pages) to ResearchandBrokerManagement@StewartInvestors.com on how you would conduct this research, over what timeframe and for what price. No exclusivity is sought, but commission acknowledgement is required if sharing. Closing date for application: **30th September 2016**.