

## Growth and trends of Indian IT Professionals in United States of America

SUGUNDAN N.

Research Scholar

Department of International Business

School of Management

Pondicherry University, India

Dr. P.G. ARUL

Assistant Professor

Department of International Business

School of Management

Pondicherry University, India

### Abstract:

*The demand for Indian IT professionals around the globe has been in a positive trend and particularly in United States of America the trend is much more than the other countries. For multinational firms growth to expand globally and in order to create and maintain competitive advantage in the industry Indians professionals play a key role. This paper is about the growth and trends of Indian IT Professionals in USA. The Human Resource Managers consistently rate finding employees who will accept international assignments as major challenge (GMAC, 2008). As on May 2012, 22, 45,239 (22.7%) Indians live in USA (Source: The Ministry of Overseas Indian Affairs). Among the rapidly growing sector across the globe, IT sector plays a major role compared with the other sectors. Today the world is driven by IT. Indians IT Professionals are the most preferred all over the world. In the last two decades the growth of IT Sector is very high and the Indians move to all the countries either on transfer or voluntarily to work in the client locations based on some experience they have during the past. The literature available on the previous study also*

*tells that only little focus is given on the expatriates assignments. In particular, the Indian IT sector is changing day by day and is also becoming the top paid jobs compared with all other sectors. This research follows a series of factors which is likely found to be the gap among the available research. The study primarily focuses on the growth and trends of Indian IT expatriates working in USA and is secondary data available from the reports of NASSCOM, Ministry of Overseas Indian Affairs, and USA Embassy and address the following detailed Chart on the growth and trends on the number of expatriates moving from India to USA, their salary, the company profile and their roles. Also the paper discusses on the issues and challenges faced by the Indian IT expatriates.*

**Key words:** Expatriates, International Assignment, IT employees

## 1. INTRODUCTION

The growth of software and services exports in India has been rapid over the last twenty years. The growth of the software and services sector is growing in a steady scale with increasing trend with the existing service. High level of software service exports has emerged over the period and the trend has given rise to increased man power and skilled workforce in India started moving towards all the parts of the world. This in gave the Human Resource Management team on how to share the available skilled or knowledge persons in all sectors to combine in large and complex projects. The growth of Indian Software Industry started providing more benefits to large MNC's especially to the U.S Companies mainly software concerns. Indian resources are available for contract jobs with low pay when compared with the U.S counterpart where the employees are almost slaves for large software companies. Indian companies also get more projects outsourced from U.S to India for a very low cost and produce very competitive product. Because of largely skilled workforce available in India, the U.S firms continue to expand their firms in India and offer more

jobs. Indians employees work more flexible than their U.S Counterpart, very cheap labour and time effective in providing solutions to the given task. So Indian companies are often called as sub-contractors to the US Software companies in development and maintenance.

In addition, Indian programmers are much relied by the U.S firms in all their operations. NASSCOM (2012) also states the exports of software from India has crossed a billion dollar as on FY2011. Indian IT services sector export is known as the fastest growing sector with over 19 percent as on FY 2012 which accounts for more than 40 billion USD. The software services sector growth was expected to expand further at 17 percent to cross 1.2 billion USD in exports. The Indian software services provider provides Global Delivery Model with a mix of onsite team, offshore team and all possible near shore team to fulfil the requirements of the client at any instance. The teams evaluate the client requirements and consults with the client, to provide real – time service in any location which benefits the client and the consulting firms. Indian software service providers get more work extracted from the employees and in normal an employee is pressurised to work for more than 10 hours and in worst cases to 15 hours or even more sometimes, which the suits the client to give more projects to Indian software or consultancy companies.

Though there has been many research on growth and trends of Indian Software or evolution of Indian Software Industry, there is no study to see the growth of Indian Software Professionals in USA.

## **2. REVIEW OF LITERATURE**

Aycan (1997), indicated that the role played by Expatriates is very significant. The main role played by expatriate employees is to act as the catalyst between the organizations in the host country and the country of his own or the local organization

where he actually works. This will be useful to fulfil the needs and demands of the client. The expatriate employees compare themselves with the local employees or the fellow employees in the organization where they work together. On this comparison they find the satisfaction level and the monetary benefits they gain. This is very crucial in the employer part to look after or treat the different employees. Compensating the IT professionals with monetary benefits is not only the sole benefits the professionals look into was argued by Elmain in 2011. Though Deci & Ryan in 2000 argued that monetary benefits is important.

Hoyt & Gerloff in 2000 argue that the whole assignment is a team work and giving monetary benefits to a single individual or a group is a kind of discrimination. Every employee has to be given equal preference at least in the team.

Dhara Shah in 2011, states the success in international assignment can be achieved with effective preparation of the employee. Cross – cultural training is very important for the success of an expatriate in foreign assignment. The previous research by Lakha 2005, Meijering & Van Hoven 2009, Upadhya & Vasavi 2006, Upadhya 2009, Mathew & Obgonna 2009, and Xiang 2001) suggests the Indian IT expatriates also experience some issues with communication society and racial discrimination.

IT Skills and Salary Report (2012), reports the increase in average salary was 3.2 in comparison with the previous year. The cost incurred in Educating and extra training to the employees cost more to the organizations. Almost all the companies started to freeze the salaries.

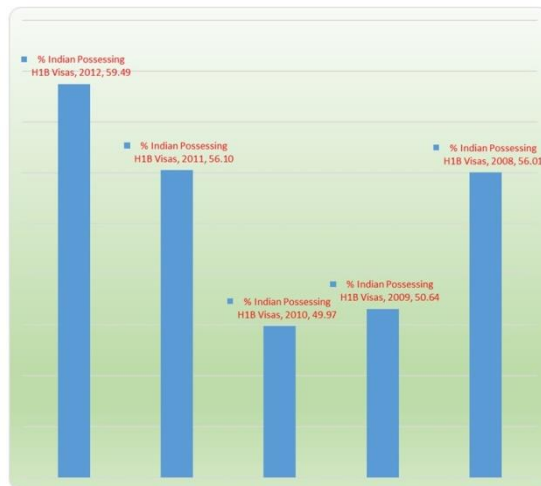
The increase in productivity of the organization in the last two decades was largely influenced by the human innovation and effective use of technology to lower the transaction cost with appropriate use of technology. The overall contribution of technological advancement and the availability

of technically skilled for the smooth running of business is very unfortunate.

Edstrom and Galbraith, 1977 states that expatriates play a liaison role between the home country and the host country operations. The home country largely depends on the expatriate staff in linking the offshore activity with the host country assignments.

### 3. GROWTH AND TRENDS OF INDIAN IT EXPATRIATES

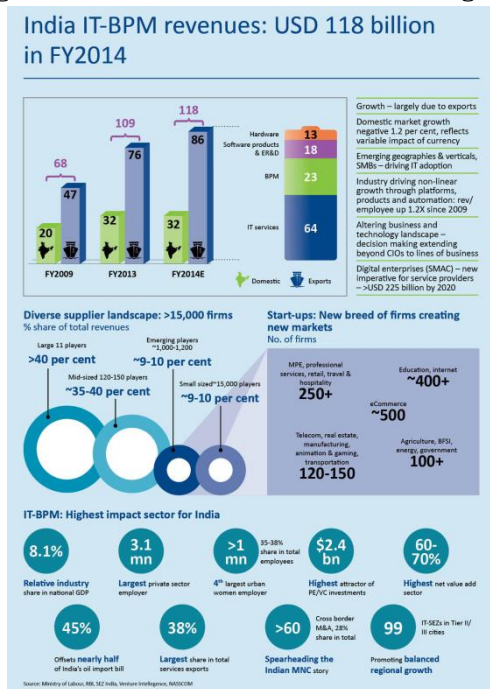
**Figure 1: % Indian Possessing H1B Visas**



Source: <http://h1b-visas.findthebest.com/#v>

The above figure is an illustration of the percentage of Indians possessing H1B visas from 2008-2012. Over the years the percentage has been in increasing trend and Indians dominate among all other countries around the globe in USA. The recession period during 2009 and 2010 saw a dip in the value and still tops the list with other countries.

**Figure 2: Total H1B visa certified during 2013**



Source: <http://h1b-visas.findthebest.com/#v>

During the year 2013 the Indian IT Giants such as Infosys, TCS & wipro topped the list all the companies which applied for H1B Visas and obtained the visa's for Indian Expatriates.

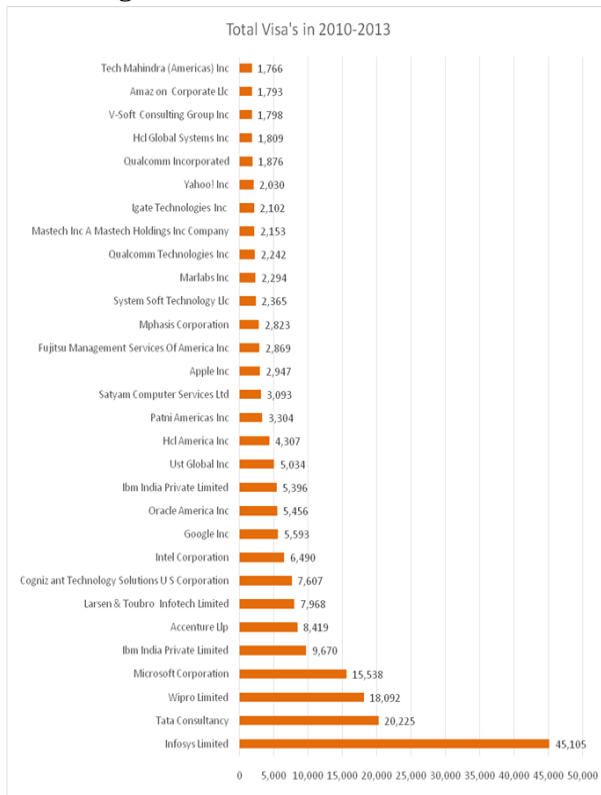
**Figure 3: Average Salary of IT Expatriates during the year 2013(in \$)**



Source: <http://h1b-visas.findthebest.com/#v>

During the year 2013 the IT expatriates average salary was led by Google Inc followed by Accenture Ltd and Apple Inc. Indian IT Giant's fail in the case of Average salary.

**Figure 4: Total Visa's in 2010 - 2013**



Source: <http://h1b-visas.findthebest.com/#v>

This figure indicates the dominance of Indian IT Giant's between 2010 and 2013 in sending more expatriates from India to USA. Infosys Ltd tops the list and is followed by TCS and Wipro Ltd in third position.

#### 4. FINDINGS

All the above charts show that the Indian IT professionals have the competitive advantage over the other country professionals in United States of America. It is very clear much of Indian IT professionals is utilized by the Indian MNCs such as Infosys, TCS, WIPRO etc., than the US MNCs like Google, Microsoft. Whereas when comparing the salary paid to Indian IT



professionals the US MNCs pay more than the Indian MNCs. The trend of moving to USA continues to be in positive way. It is important for Indian multinationals to look after the current salary of other country professionals and fix them appropriately. The other most important aspect which is not covered in the above analysis is the support which is extended to the Indian professionals. The literature says most of the professionals would like to return back early which may harm the growth of Indian MNCs.

## **5. CONCLUSION**

From the above study it is evident that the number of Indian IT expatriates moving from India to USA has been increasing continuously every year, since the skilled employees in USA is comparatively less and the trend continues. The findings from the study shows the major Indian IT Giant's dominate the list of companies who send Indian employees to USA and fails in the average salary paid to Indian companies comparing with their USA counterpart. Also it is very clear from the past research that like other professionals IT expatriates too face lot of challenges in adopting to the culture, family issues, others etc. So more focus has to be given from the industry to maintain the same level of growing trend in future.

## **REFERENCES**

- Black, J Stewart, and Hal B Gregersen. 1999. "The right way to manage expats." *Harvard business review* 52-63.
- Black, Stewart, Hal B Gregersen, and Mark E Mendenhall. 1992. "Global assignments: Successfully expatriating and repatriating international managers." *Jossey-Bass*.
- Caligiuri, Paula. 2006. "Developing global leaders." *Human Resource Management Review* 16 (2): 219-228.

- Collings, David G, Hugh Scullion, and Michael J Morley. 2007. "Changing patterns of global staffing in the multinational enterprise: Challenges to the conventional expatriate assignment and emerging alternatives." *Journal of World Business* 42 (2): 198-213.
- DeFillippi, Robert J, and Michael B Arthur. 1994. "The boundaryless career: A competency-based perspective." *Journal of organizational behavior* 15 (4): 307-324.
- Emmerik, I.J., and Martin C Euwema. 2009. "The international assignments of peacekeepers: What drives them to seek future expatriation?" *Human Resource Management* 48 (1): 135-151.
- Feldman, Daniel C, and David C Thomas. 1992. "Career management issues facing expatriates." *Journal of International Business Studies* 23: 271-293.
- Krishnan, Sandeep K, and Manjari Singh. 2010. "Outcomes of intention to quit of Indian IT professionals." *Human Resource Management* 49 (3): 421-437.
- Lakha, Salim. 2005. "Negotiating the transnational workplace: Indian computer professionals in Australia." *Journal of intercultural studies* 26 (4): 337-359.
- Shah, Dhara. 2011. "Indian Information Technology Expatriates on an International Assignment: Impact of Pre-Departure Preparation on Initial Adjustment." *School of Business, Nathan Campus, Griffith University*.
- Sluis-den Dikken, E. C. 2000. *Management learning and development: The role of learning opportunities and learning behavior in management development and career success*. No. 221. [Amsterdam: Thela Thesis].
- Upadhyia, Carol, and A.R. Vasavi. 2006. "Work, Culture and Sociality in the Indian Information Technology (IT) Industry: A Sociological Study."
- Vallabh, G, S Mishra, and A Bhatia. 2008. "Analysis of Onsite/Offshore Cost Control Model for Indian IT Majors." *Management Accountant-Calcutta* 43 (3): 143.

Xiang, Biao. 2001. "Structuration of Indian information technology professionals' migration to Australia: An ethnographic study." *International Migration* 39 (5): 73-90.