

From Chairman's Desk



The NASSCOM-McKinsey Report 2005, entitled “Extending India’s Leadership of the Global IT and BPO Industries”, contains a statement that has caught and captured the attention of several IT VIPs in the country, and has been employed out of context several times: “According to the McKinsey Global Institute only 25% of engineering graduates in India have the skills to be employed in IT jobs without prior training”. All IT jobs? – including the burgeoning domestic sector? – or just offshore jobs in the services sector?

When making strong value judgments, the IT VIPs have been referring to the overall IT job sector. Indeed the very sentence preceding the above statement in the report reads – “Not all the talent available in India is suited for jobs in the **off-shore** IT and BPO industries”. The Executive Summary also refers to the off-shore job sector – “Currently only about 25% of technical graduates and 10-15% of general college graduates are suitable for employment in the **off-shore** IT and BPO industries, respectively”.

Since the current NASSCOM-McKinsey Report relies exclusively on the McKinsey Global Institute study, it is necessary to turn our attention to this study.

The “Emerging Global Labour Market” is the final report of a year- long project of the McKinsey Global Institute (MGI), and is based on extensive work on off-shoring, global industry restructuring, and the impact of MNC investment in developing countries. The study focuses on “eight industry sectors: automotive, healthcare, insurance, IT services, packaged software, pharmacy, retail and retail banking”; and provides “an analysis of the availability of talent pool 28 low-wage countries and 8 mid to high-wage ones”. It also assessed the *Location Cost Index*, a tool for companies to evaluate location attractiveness, based on six groups of criteria: “labour cost, vendor landscape, market potential, risk profile, business environment and quality of infrastructure”.

The main purpose of the study is “to provide a fact base to the public debate on off-shoring and the emerging global labour market to enable policy makers and business leaders to make more informed and better decisions”.

For each occupational group a quantitative question as well as a qualitative question was asked:

- “Of one hundred random candidates with the correct degree, how many could you employ if you had sufficient demand for all one hundred?”
- “What are the main deficiencies of the candidates you turned away?”

The connections between what was concluded by MGI, and what was reported in the NASSCOM-McKinsey study 2005, and what our IT VIPs say, and what a large number of people believe, are as follows:

- MGI concludes from its study that only 25% of engineering graduates in India are suitable for employment in MNCs in the services sector. This empirical conclusion is subject to the following criticisms:
 - Only 10 MNC HR managers in India were interviewed, including only two dedicated interviews on candidate deficits.
 - The main report contains three factors of unsuitability, whereas the Notes list five (slightly different) categories of unsuitability.
 - The report itself admits that although the potential supply of talent in low-wage countries is large and growing rapidly, three factors set a limit to the proportion of potential job candidates who could *successfully work at a foreign company*: limited suitability, **dispersion of the labour force** and **domestic competition for talent**.
- The NASSCOM-McKinsey study reports that “only 25% of engineering graduates in India have the skills to be employed in IT jobs without prior training”.
- Our IT VIPs have been quoting the NASSCOM-McKinsey report to say that only 25% of our engineering graduates have employability skills for the IT sector.
- Several people have extrapolated this perception to say that only 25% of our engineers are employable (overall); that our engineering education system produces engineering graduates 75% of whom are unemployable (across all sectors).

Prof. R. Natarajan

Workshop on Management of R&D Institutions

Venue: XIME, Electronic City, Bangalore

Date: March 14-15, 2008

Organisers: Biocon, XIME, CII Institute of Quality, NRDC, DSIR and BITES

Host: XIME

XIME, in collaboration with CII Institute of Quality, NRDC, DSIR and, BITES organized a two-day Workshop on "Management of R&D Institutions". The workshop was sponsored by BIOCON.

The nature and scope of R&D have been undergoing significant changes in the recent past due to factors such as: fast-changing consumer preferences, intensified competition, accelerating obsolescence and the quality and type of professionals managing it.

The HR issues, including attracting and retaining talent, as well as preparing the manpower for their escalating job responsibilities and for career progression, demand careful planning, execution and monitoring.

All in all, emerging issues in R&D Management have thrown up considerable challenges before R&D institutional leaders. The Workshop sought to identify some of these challenges and possible answers.

Dr Kiran Mazumdar Shaw, Chairperson, Biocon, delivered the inaugural address, and Mr N Srinivasan, former Director-General, CII, presided over the inaugural session.

The workshop focused on some of the critical issues faced by R&D institutions like;

- Project management
- Resource management
- Knowledge and Innovation Management
- Metrics for R & D performance
- Leadership and Team development

The following resource persons delivered keynote addresses in the Technical Sessions on the second day:

- Dr R Natarajan, Chairman, BITES, Bangalore
- Dr K V Raghavan, Chairman, R A C, DRDO, New Delhi
- Dr Somenath Ghosh, CMD, NRDC, New Delhi
- Mr Vinay Deshpande, Chairman, Encore Technologies, Bangalore
- Dr Jyothi Bhat, Scientist 'G', DSIR, New Delhi
- Prof J Philip, President, XIME, Bangalore

About 40 participants drawn from the corporate, academic and R&D sectors participated in the Workshop. At the end of three break-out sessions, recommendations were presented on three critical issues relating to R&D Management. The presentations of the resource persons as well as the recommendations have been compiled on a CD.

BITES-Microsoft Launch Student Training on .Net Technologies

Venue: BITES Member Institutions

Date: February 7-15, 2008

Sponsor: Microsoft India

Under the aegis of the MoU signed between BITES and Microsoft, workshop on latest .NET technologies were conducted for the benefit of the students belonging to BITES member colleges.

The workshop enabled students become aware of the latest offerings available from Microsoft in .NET technologies which could help students to utilize these technologies in their project development. It also equipped students to participate in the .NET Evaluation test that would be conducted by Microsoft in coordination with BITES.

The workshops were conducted in the following fourteen locations across Karnataka and about 2500 students benefited from these workshops.

Sl. No.	Venue	Participating Colleges	Date	Time
1.	SJCE, Mysore	SJCE, Mysore NIE, Mysore	11 th February	10:00a.m. to 4:00 p.m
2.	Gogte College of Engg, Belgaum	Gogte College of Engg, Belgaum KLE Engg. College, Belgaum	7 th February	11:00 – 5:30
3.	PDACE, Gulbarga	PDACE, Gulbarga Appa Institute of Engg. & Technology, Gulbarga	20 th February	10:00 to 5:00
4.	KVGCE, Sullia	KVGCE, Sullia Canara Engineering College, Bantwal	7 th February	10:00 to 4:00
5.	BVBCE, Hubli	BVBCE, Hubli Tontadarya College of Engineering, Gadag	8 th February	09:30 to 4:30
6.	NMAM, Nitte	NMAM, Nitte	6 th February	10:00 to 4:00
7.	AIT, Chikmagalore	AIT, Chikmagalore	8 th February	10:00 to 4:00
8.	Ghousia College of Engg., Ramanagaram	Ghousia College of Engg., Ramanagaram Don Bosco Institute of Technology, Bangalore	12 th February	10:00 to 4:00p.m.
9.	SIT, Tumkur	SIT, Tumkur	13 th February	10:00 to 4:00
	JSSATE Bangalore	JSSATE Bangalore R V College of Engineering, Bangalore S J B Institute of Technology, Bangalore	14 th February	10:00 to 4:00
11.	Sapthagiri college of Engg, Bangalore	Sapthagiri college of Engg, Bangalore Reva Institute of Engineering & Technology, Bangalore K N S Institute of Technology, Bangalore	14 th February	10:00 to 4:00
12.	RNSIT, Bangalore	RNSIT, Bangalore Global Academy of Technology, Bangalore	15 th February	10:00 to 4:00
13.	PESIT, Bangalore	PESIT, Bangalore B N M Institute of Technology, Bangalore	9 th February	10:00 to 04:00
14.	Dayanand Sagar college of	Dayanand Sagar college of Engineering, Bangalore	15 th February	10:00 to 4:00

Topics Covered:

- Introduction to .Net
- Developing Windows based application using C#
- Developing Web Applications with Database Programming
- Developing and Consuming Web Services
- Introduction to Mobile Application Development.

The students have also been given an opportunity by Microsoft Corporation to submit the projects they are working on for a nationwide project contest and the details are available at <http://www.student2business.co.in>.

Their projects will be reviewed and the top 10 projects from BITES member colleges would be given an opportunity to showcase their solutions at an expo and win prizes.

All students who attended the workshop received Learning Resource DVDs and Lab Manuals that could be used for project development.

Guest Lecture on Global Knowledge Economy: Assessing Research & Development Centres in Emerging Economies

By: Dr. Waltraut Ritter

Venue: PESIT, Bangalore

Date: April 3, 2008

Sponsor: BITES and PESIT, Bangalore

Dr. Waltraut Ritter who is the director of Knowledge Enterprises, a research and advisory company based in Hong Kong delivered a lecture on “**Global Knowledge Economy: Assessing Research & Development Centres in Emerging Economies**”

She has been involved in assignments around innovation, knowledge management and intellectual capital since 1989, and led projects in a wide range of industry and business sectors, with a focus on knowledge-intensive organizations across the Asia Pacific region, as well as in India.

The lecture addressed some general questions on choosing an R&D location; discuss the emergence of hi-tech clusters and centres of excellence in China and India and criteria to assess the quality and potential of such locations. The lecture is based on a business research project for a German multinational that Dr. Ritter is associated with.

Knowledge production, both scientific and business knowledge, has become a challenge for companies. The sourcing and outsourcing of R&D is an example where globalisation of knowledge work is becoming strategically important. Previously, the R&D centre was in or close to headquarters of a company, but today most global companies have centre around the world, and increasingly in the Asia Pacific region.

Where are the future centres of excellence in R&D? Silicon Valley is still considered the most productive centre of excellence in ICT and related disciplines, but as Dr. Ritter explained other emerging centre are gaining importance, e.g. Beijing, Xian, Shanghai in China or Pune and Bangalore in India.