Challenges for Indian Information Technology Industries

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Abstract

The beginning for IT Industry in India took place in the early years independence, but it didn`t come in to limelight for long period of time. The sector has increased its contribution to India's GDP from 1.2% in 1998 to 7.7% in 2017. As of 2020, India's IT workforce accounts for 4.36 million employees. As of now, India is largest exporter of IT. IT industry constitutes around 79% of industry total revenue. IT industry is one of the areas which are influenced because of the threatening Crown. Indian IT industry serves the greater part administration to the different client universally. It is basic to comprehend and guarantee how the assistance can be flawlessly furnished to the clients with less effect. This paper discusses the unmistakable difficulties to the IT ventures. Likewise, we examine the community approach that is required from different partners to guarantee the continuous help from the Indian subcontinent for worldwide clients.

Keywords – Information Technology, IT Ventures

1- Introduction

India's IT services industry was born in Mumbai in 1947 with the creation of TATA consultancy services. In 1977 TATA consultancy services partnered with Burroughs which began India's

export of IT services. SEEPZ was the first software export zone it is like a parent to the modern-day IT park SEEPZ(Santa crus electronic export processing zone)was established in Mumbai 1973.In 1991 the department of electronics created a corporation called software technology parks in India(STPI) which was owned by government. STPI set up software technology parks in different cities, each of which provided satellite links to be used by firm the government started allowing companies to have their own link in 1993.

2- Major hubs of IT in India

In the present day, India is the largest exporter of IT in the world. The top fine Indian IT services providers' are- Tata consultancy services, Infosys, Wipro, Tech Mahindra and HCL technologies. Some major information technology hubs in India are mentioned below:-

Bangalore:- Bangalore is the center of India's high-tech industry and is also known as silicon valley of India because of large number software companies like Infosys, Wipro are headquartered in Bangalore. Bangalore is the capital of Karnataka state. Karnataka's Electronic system design and manufacturing (ESDM) policy,2013 aims to make their state the most chosen place for investment in ESDM.

Hyderabad:- Also known as Cyberabad was always famous for its culture, history, cuisine and other but in early 1990s. The economic pattern of the city took a turn and the most diversified IT industry entered. It is known as HITEC city and is the second largest IT exporter in India, it the first destination in India for the famous Microsoft development center not only this but other major US based IT firms like Google, Samsung, Motorola, Yahoo and many more in Hyderabad.

Chennai:- Chennai city can be seen ending as destination for information technology outsourcing and has a growing number of IT parks being built. TIDEL parks are the largest it park in Chennai are UNIQ technologies, TRS Forms and services Pvt Ltd, ambrosys business solution Pvt Ltd.

Mumbai:- IT is the financial capital of India. The largest IT company TCS has its headquarters in Mumbai. Some IT parks in Mumbai are Technopolis knowledge park, Ivory Tower, Mangus tower. Top it companies in Mumbai are Infosys tech Mahindra etc.

3- Challenge for Indian IT

Covid-19 pandemic - Coronavirus or Covid-19 is the virus which is being affected across the global. The word CORONA is well known to the people at every nook and corner of the world. The coronavirus COVID-19 pandemic is the defining global health crisis of our time and the greatest challenge we have faced since World War Two. Since its emergence in Asia in 2019, the virus has spread to every continent except Antarctica. Most people infected with the COVID-19 virus will experience mild to moderate respiratory illness and recover without requiring special treatment. Older people, and those with underlying medical problems like cardiovascular disease, diabetes, chronic respiratory disease, and cancer are more likely to develop serious illness.

We have now reached the tragic milestone of more than two million deaths, and the human family is suffering under an almost intolerable burden of loss.

According WHO (World health organization Globally, new COVID-19 cases rose for sixth consecutive week, with over 4 million new cases reported in the last week. The number of new deaths also increased by 11% compared to last week, with over 71 000 new deaths reported.

- Neglect of Research and Development – as The number of information technology related patents registered by Indian companies during the 15-year period (1999–2013) has remained relatively low.
- Too much emphasis on low-end IT services - Although the value of domestic revenue from the IT/ITES industry has been on the rise, the share of the high-end software products and engineering services low.
- Neglect of Electronic Hardware Manufacturing - The revenue derived from the export of IT/ITES in India was observed to be almost three times greater than that derived from the

domestic market.

- Saturation in Select Cities and Neglect of Other Areas - Andhra Pradesh, Karnataka, Maharashtra, and Tamil Nadu accounted for 80% of the total exports from registered units with STPIs (software technology parks of India).
- Excessive Dependence on the Export Market - Indian IT exports have remained highly dependent on the markets in the US and Europe.

4 - Impact on IT sector

The significant weaknesses the IT industry is facing now is due to the fall in the economy. Most of the IT companies have switched to virtual platform for recruitment and have also asked their employees to work from home, WebEx, Skype were used to conduct all the meetings keeping in account of the public health concerns.

Former Chief Financial Officer of Infosys Ltd V Balakrishnan said. That most of the major revenue generators for the IT sector has been hit by coronavirus. "For the IT services sector, banking and financial services, oil and gas, retail and manufacturing are one of the largest revenue generators. All of these sectors were hugely hit by coronavirus.

For TCS, Infosys and Wipro, banking, which is already under stress, accounts for about 30% of the overall revenue whereas it is 22% for HCL Tech. The oil and gas segment has also been hit badly. Sharp cut in crude oil prices will impact the energy vertical of IT firms. The vertical accounts for about 13% for Infosys and Wipro.

Global Data's IT contracts database, which tracks the publicly announced IT contracts, reveals that the number of IT services contracts signed in February 2020 have shown a monthly decline of 33%. Compared to February 2019, this is an annual decline of 37%

Nishant Singh, Head of Technology and Telecoms Data at Global Data, says:- "The decrease in the new contract signings for the past two months are from a period when the coronavirus

outbreak had been primarily restricted to China and Iran. Given the current spread of the outbreak, we expect fresh contracts to become even scarcer over the next few months."

Industries like travel and tourism, manufacturing and retail have been strongly affected by the outbreak, and IT services vendors having significant exposure to these verticals could find it challenging to have a healthy order book. "The next fiscal will be very challenging for the Indian IT services industry as the discretionary spending of clients will be lower as a result of the coronavirus outbreak and new projects are likely to be postponed until the outbreak is contained to some extent. While the Indian IT services industry has proven itself to be resilient time and again, in coronavirus, the industry will face its most difficult challenge yet," Singh said.

Indeed, some Indian IT services firms are now associating the impact of the coronavirus impact to that of the 2008 recession, and have expressed concerns that the outbreak could affect their financials; although, the implication of the outbreak will probably manifest itself over the next few quarterly earnings.

5- Conclusion

Keeping in mind the current situation, all IT companies should provide their employees so that they can work for home effortlessly. Authorities who supply electricity power, has to ensure the uninterrupted supply so that the employees can support without any issues. Good rapport between employees is a must. Team manager and employee relationship during this critical situation are essential. Mobile number/address should be readily available so that the manager or employer can contact the employees when there is a need. Indian IT organizations have to take transparent feedback and suggestion from various levels such as employee, managers and executives. By using those inputs, they need to define the policies and procedures for better implementation.

Many organizations are unable to operate the business and deliver to their customer. But IT industry has the privilege to their entire employee to work for home end proceed with business. This is possible because of its nature of the electronic format of delivery for their remote customers globally. Collaboration effect form employer, employees and authorized while only help the industry to run seamlessly.

Abbreviations

Abbreviations	Description
IT	Information Technology
STPI	Software Technology Parks India
ESDM	Electronic system design and manufacturing
HCL	Hindustan Computers Limited
TCS	Tata Consultancy Services
ITES	Information Technologies Enabled Services

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