

**NASSCOM®**

# **Impact of the new Haryana State Reservation Law March 2021**

## Survey of 73 IT-ITeS Companies: Summary Findings

The 73 companies which participated in the Survey have over 144,000 employees in Haryana. Overall, the 500 odd IT-ITeS companies in Haryana employ more than 400,000 people directly.

- Extrapolating to 4 lakh IT-ITES employees, the Act will overall impact about 1.5 lakh current jobs ( 37% of all the IT-ITeS jobs). Given that the Act applies to new hires, the impact is expected to be severe in 1-2 years as the industry sees a high attrition rate.
- 80% of the companies have stated that this will negatively impact their future business operations and investments plans, with majority of them expressing this will result in shifting/ growing their operations to other States and in other countries.
- Majority of the companies have expressed concerns on the recruitment strategies as the law will significantly increase the compliance burden and will limit the industry ability to hire people at will, They also expressed such legislations will make it difficult to adopt and follow Diversity and Inclusion policies and initiatives and will lead to discriminations. It will make it difficult for them to follow and adopt equal opportunity policies.
- Major skill gap in Haryana where salaries are less than Rs. 50,000 pm include Communication-Spoken as well as written, AI and Machine Learning Skills, Analytical and Statistical skills, Finance and Accounting, Programming skills, Data Science, R&D skills, Engineering and technical skills.

# Research Methodology

- NASSCOM rolled out an e-survey from 4<sup>th</sup> March till 7<sup>th</sup> March 2021 with the following two objectives:
  - The demographic of the current IT workforce in the State of Haryana**
  - To understand the impact of the new Haryana State Reservation Law.**
- A total of 10 key questions were asked from the industry participants ranging from employment numbers, % of people earning less than 50K per month, residence status, skill gaps, etc.
- **73 members** participated in the survey

**Haryana Pvt Reservation Law: Impact on the IT Sector** 0 %

Dear Member,

The Haryana Government has recently passed a law "Haryana State Employment of Local Candidates Act, 2020" that mandates private establishments in Haryana to reserve 75% of the jobs with salary upto INR 50000 per month for local candidates domiciled in Haryana. In order to showcase the impact of the law on the IT sector, NASSCOM is rolling out a survey to understand the current demography of the people employed in the IT companies and how the new law will impact the future investment and growth opportunities including recruitment strategies for the companies that are present in the State.

Disclaimer: Information collated in this survey will be used as an aggregate figure representing the industry position and will not be attributable to individual organisation.

Please note that the survey will close on 7th March.

**1. Participant Details \***

Name

Designation

Organisation

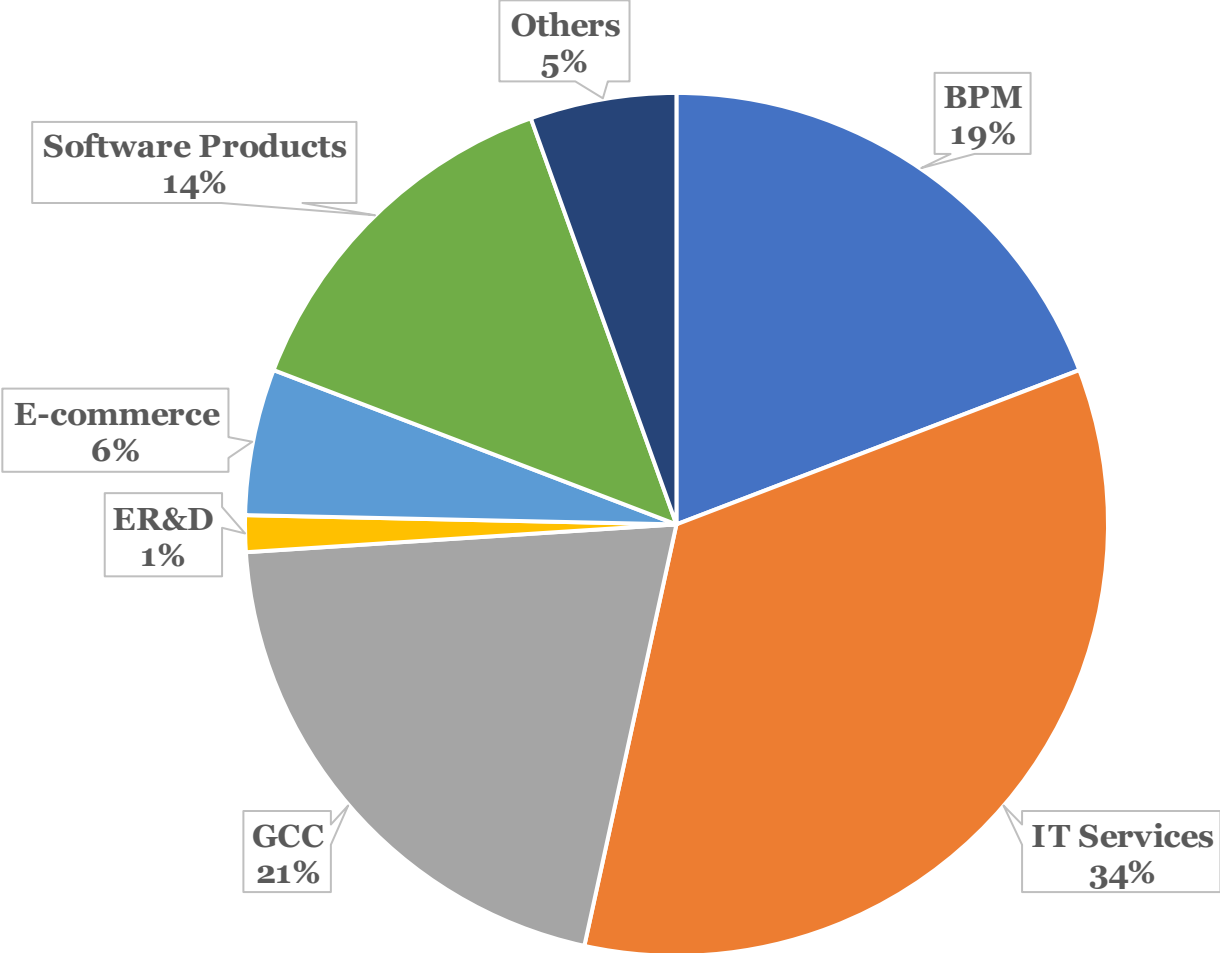
Email

Contact Number

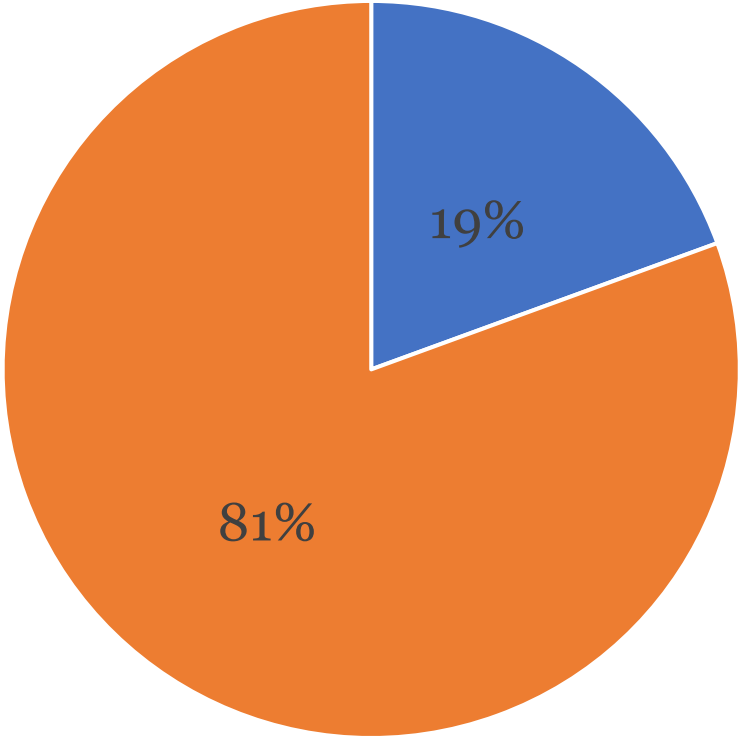
**2. Nature of Services \***

BPM  GCC  Ecommerce

Industry Segments (n=73)

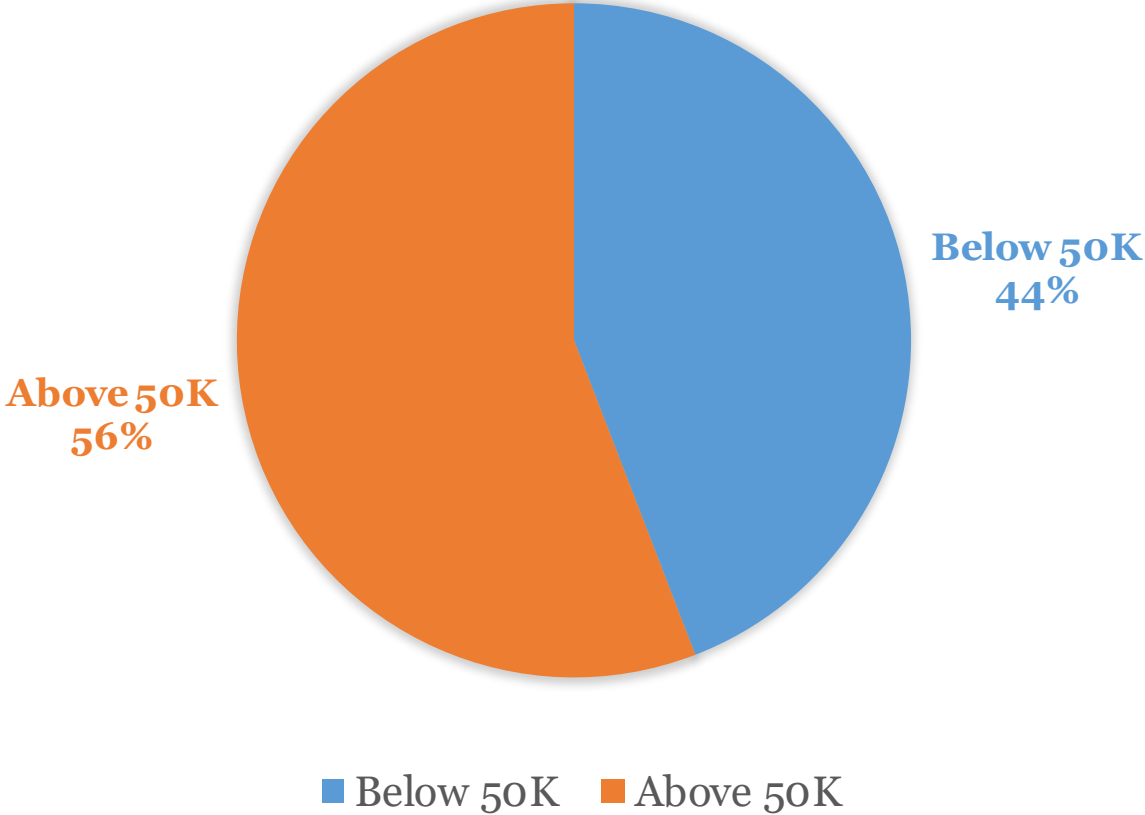


Place of Residence:  
Employees Earning less upto 50K / month (n=64)



■ Permenant Address in Haryana    ■ Outside of Haryana

**PERCENTAGE OF EMPLOYEES EARNING  
BELOW 50K PER MONTH (N=72)**



## Survey Findings

### **Key skills missing locally for Jobs with salary upto INR 50000**

- Lack of both soft as well as technical skills was cited as major skill gap in local candidates. These include the following:
  - Communication –Spoken as well as written
  - AI and Machine Learning Skills
  - Analytical and Statistical skills
  - Finance and Accounting
  - Programming skills
  - Data Science
  - R&D skills
  - Engineering and technical skills

### Examples of Jobs with salary upto INR 50000

#### 1. Global Capability Centres (GCCs)

Customer Care Representatives, Operations Team Managers, MI Analysts, Workforce Management Analysts, Payroll Specialists, HR Executives, Transport Executives, Finance Executives, IT Executives, Facilities Executives, Call Quality Analysts, Training Executives, Recruitment Executives, Communications Specialists, Project Managers, Business Analyst, Trainers, Recruiters, HR Business Partners, Information Technology Specialists, Desktop Engineers, Quality Supervisor, Social Media co-ordinators, Associate Software Engineer, Associate Research, Data Analyst, Graphic Designer, Marketing Associate, Operations Associate, Product Specialist, Service Operations Associate, Specialist Research, Senior Operations Associate, Senior Test Engineer, L1 L2 tech support, Contractual employees - Housekeeping, facility, security, Analyst profiles, coordinator jobs, product testing profiles.



### Examples of Jobs with salary upto INR 50000

#### **2. Products, Engineering, Research and Development /IT Services**

Software Engineer, QA, Executives, Senior Executives, Software Development and Support, Production Operations, Problem specialist, Change Specialist, IT Support Engineer, Network monitoring engineer, Incident Specialist, Customer Support, Finance & Accounts, Sales & Business Development, Logistics & Warehouse, General Support

#### **3. Business Process Management/ IT enabled Services**

All agent level jobs, frontline staff, client operations, BPO Roles, Data Entry, Voice, Non Voice client facing, Call Center Executive, Quality Controller – voice, Quality Controller - non voice, Assistant Team Leader, Team Leader, MIS Executive, HR Executive, Customer Care executive, Tele Sales Agent, Tele Sales Manager, Admin Manager, Admin Executive, Helper, Driver

## Survey Findings

### Impact of the new law on investments : Short vis-à-vis mid & long term

- **Short Term (0-1 year)**

- Mix observations were noticed in the responses. While some members expressed this will impact their investment as well as recruitments plans in the near future, some members expressed that they would consider shifting their operations to other locations.
- Others mentioned the impact may be limited from a near term basis as the hiring are mostly done.
- Some didn't comment.

- **Mid-long term (beyond 1 year)**

- Close to 80 percent of the members of the membered expresses this will negatively impact this future business operations and investments plans, with majority of them also expressed either shifting their operations to other States and increase hiring in other States.
- However, in a few cases members mentioned that they will assess the same once the law comes into force.

## Overall Impact on the Recruitment Strategy

Majority of the companies expressed concerns on the recruitment strategies of the organisation and expressed their views as:

- Will consider shifting operations to other locations to source talent
- The law will significantly increase the compliance burden and will limit the industry ability to hire people at will
- They also expressed such legislations will make it difficult to adopt and follow Diversity and Inclusion policies and initiatives and will lead to discriminations
- Further, it will make it difficult for them to follow and adopt equal opportunity policies