

think!

FOCUS

IN THE LIMELIGHT

SERVICE SECTOR: SMILING NO MORE

PLATEAU Whether it is hospitality, retail or the much-celebrated BPO sector, attrition and lack of employability are rising – what's the way out for the once-shining industry?

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To kill boredom after his class XII exams, Mumbai boy Lucas Pires, now 26, became a call centre worker. Over the next few years, what he thought would be a stopgap arrangement turned into a seemingly dead-end career. During college, juggling night shifts with a Bachelor's in Commerce became tough and Pires flunked. He dropped out of college and settled for the riches of the BPO industry. "I just couldn't quit. Earning ₹13,000 a month in 2005 was a lot of money for a teenager back then," he recalls. Eight years on, Pires is yet to become a team manager. He doesn't have the graduation mandatory for a promotion. "With my qualifications, I may have the money but won't have a senior designation," he says.

Instant moolah in the teens, graveyard shifts in the 20s, quick burnout at 30? For the young and restless working in India's service sector, reality strikes the moment they think of settling down. By the time they realise they've spent the most productive years of their lives faking accents, waiting tables, delivering pizzas or deciphering medical transcriptions, disillusionment grips them.

Pires could be one of many service sector employees disillusioned at a young age. According to recruitment tendering platform MyHiringClub, the workforce of the service sector in India grew from 1.34 crore in 2007 to 1.6 crore in 2011. Attrition has kept pace rising from 16% in 2007 to 26% in 2011. Also, the employability of India's graduates fell from 29% in 2007 to 22% in 2011.

In February 2012, for the first time in three months, India's service sector lost momentum as firms sacked workers, said HSBC's Business Activity Index. This brought back memories of the global recession of 2008-10 when Indian companies slashed 40-45% of their staff, says MyHiringClub CEO Rajesh Kumar.

"This led to indiscriminate hiring at the entry level, without a sizeable middle rung."

Whether it is business process outsourcing (BPOs), hospitality or retail, the Indian service sector appears to be in the midst of an unemployment epidemic. Un-employability, or surplus jobs without the requisite skills to hold them, is rising at a fair clip.

A survey of service sector employees commissioned by Hindustan Times and carried out by C-Fore reveals 68% of those who've worked in the service sector for more than 8 years regret joining the sector early in their career. One of three (33%) said they joined the sector because it paid well, while 37% perceived it as their last resort — they weren't qualified for anything else.

The disenchantment sets in early, if the survey is to be believed. Of those who've been employed for less than 5 years, more than 6 in 10 (61%) considered their choice of career a mistake. Of these, 63% said they didn't have the requisite qualifications for anything better. In the years ahead, the overall human

resource requirement across key segments in the service sector is estimated to be around 3.78 crore by 2022, says Ernst and Young executive director Abhaya Agarwal. The lack of skilled labour is not surprising if one considers that India's annual capacity for skill development and training stands at a paltry 12 lakh persons. "With attrition rates as high as 30-35% in retail and around 25% in hospitality, training becomes critical," adds Agarwal.

REASONS FOR THE CRISIS

The skills gap has widened in recent years, says Bibek Debroy of the Centre for Policy Research, Delhi. Industry, adds Debroy, hires people who are less employable as the demand for jobs goes up. "It's a natural economic law."

NR Bhanumurthy, professor at National Institute for Public Finance Policy, attributes the problem of unskilled employees to a stagnant education curriculum, not in sync with industry needs.

Unlike banking and BPOs, the hospitality industry hasn't done enough to address the gap between industry needs and skills says Anirban Sarkar, executive assistant manager at Radisson Blu Suites, Gurgaon. "Entry into the hospitality sector isn't tough. But over the years, if you don't widen your skill set, you are bound to get frustrated."

In the absence of training, growth opportunities, too, shrink. According to the HT C-Fore survey, close to 7 in 10 employees (67%) who've joined the service sector in the last five years, perceive their promotion prospects as dim. Vijay Kumar, 26, retail manager with Ploof/Deli, a South Delhi eatery, for instance, had to switch three jobs in five years. He has since completed a diploma and manages to make a decent living. Still, rues Kumar, he could have done much better. "Without qualifications and training, there is no scope for career progression."

In fact, lack of personal growth ranks high on employees' reasons for quitting their organisations, reveals the HT survey. Close to 40% of those who've joined the workforce in the last five years say they would change their job owing to bleak career prospects.

The trend is fuelled by short-sighted recruitment, says Himanshu Aggarwal, CEO of employability solutions company Aspiring Minds. "Most BPO hires are evaluated on English-speaking skills and personality. However, as a professional approaches managerial roles, the lack of skills rears its head."

WHO IS TO BLAME? Genpact vice chairman, Pramod Bhasin, 60, a pioneer of the business process management industry, says it is unfair to single out the BPO industry for attrition. "We are no worse than banking or retail. In emerging economies it is a function of growth. With the BPO industry growing at 15%, there's bound to be higher attrition because there are many more job options," adds Bhasin.

Rosita Rabindra, chief people officer, NIIT Technologies, says attrition levels in the voice function in a BPO business

are higher since voice executives don't gain any functional expertise on the job.

LIFE BEYOND THE PLATEAU

The children of liberalisation, as experts call them, view a job differently. An employment contract has changed from a lifetime commitment to a cab transaction, says Manish Sabharwal, co-founder of TeamLease. "The mantra to break out, once they realise they are flat-lining adds Sabharwal, is to 'repair, prepare and upgrade'. Earlier this year TeamLease signed an agreement to set up vocational universities in Gujarat to teach soft skills, English and accounting. One good way out of the quagmire of mid-career blues for those who are languishing, says Sabharwal, is to re-tool and join the retail sales sector. "Growing at close to 50%, sales is the fastest growing sector in India for job creation."

Industry Minister Anand Sharma recently said the opening up of the retail sector would create around 10 million jobs in the next three years. Industry estimates suggest about 1.5 million jobs will be created in the front-end alone with the employment of one person for every 350-400 sq.ft of retail space. Assuming that 10% more people are required for back-end operations, the direct employment generated by organised retail in India over the next five years could be close to 1.7 million jobs.

Another handy tip to beat stagnation, suggests Rajiv Krishnan, head of human capital business vertical at Mercer India, is to upgrade skills. Many companies, including Mercer, help young employees pursue management studies along with their job. Once an employee crosses the five-year threshold, says Rabindra of NIIT, companies give them a chance to specialise in processes, quality management or training. "After four years, as the worker reaches the late 20s, continuing in night shifts becomes an issue. Many of them want to settle down, get married and crave for saner work hours."

Jeeveshu Ahluwalia, 34, director with Gurgaon-based call centre Teelperformance India, for instance, didn't let graveyard shifts come in way of realising his dream of an MBA, aided by his employers. "I joined the industry 10 years back with Genpact, on a princely salary of ₹5,000. Since then, after an MBA by correspondence, I've risen from agent, to team developer, to senior manager."

The onus for upgrading skills often rests with the individual. Chandrashekhar Vaidya, 31, for instance, came to Mumbai in 2006 from Karnataka's Hubli district. Today, having worked in the sales department of a bank, setting up kiosks and peddling insurance policies, he is senior captain (a rung above a waiter) at a restaurant. Being educated in Kannada, Vaidya often finds himself struggling with English. "I started as a trainee steward at 25. Now I am 31 and I won't be a restaurant manager until I turn 35," he rues. Undeterred, Vaidya has completed a basic English-speaking course and signed up for personality development classes on his own.

"Workers in the service sector, who take charge of their destiny and adopt lifelong learning as a work ethic won't be hit by low tide," says TeamLease's Sabharwal, who popularised temp staffing in the country. Gouri Gupta, who leads the strategy function at the National Skill Development Council, says India needs at least 52.6 crore skilled workers by 2022. "It is time companies took initiatives for skill development."

But as a Swedish proverb goes, the best place to find a helping hand is at the end of your own arm. A few spirited individuals refuse to let burnouts, graveyard shifts or bad bosses keep them down. Ahluwalia, who juggled an MBA along with night shifts and Vaidya, who's learning English to beat mid-life blues, are just two individuals battling the odds that life has stacked against them. Butterfly Generation make way, India's 'drone' generation isn't yet done.

SERVICE SECTOR ATTRITION

15%
Attrition in Indian hospitality and tourism services. The total workforce for 2011 was 4.9 million

39%
Attrition in the ITes sector (BPO and KPO included). The total employment was 5.3 million in 2011

17%
Attrition in the organised retail sector. The number of workers employed was 0.9 million in 2011

26%
Overall attrition in India's service sector. The number of workers employed was 16.1 million in 2011

groundreport

Workers in the Indian service sector reveal a gloomy picture of disappointment and disillusionment. Some attempt to cope while others improve their prospects through training.

PUNEET CHANDHOK/HT PHOTO



"All my friends are earning well and I am still a waiter."

CHANDRASHEKHAR VAIDYA (31)
Senior Captain, Out Of The Blue restaurant, Mumbai

Dressed in a crisp white shirt, Chandrashekhar Vaidya is a senior captain (a rung above steward or waiter) at Out of the Blue, a restaurant in the upscale suburb of Bandra. Vaidya first came here in 2006 from Hubli in Karnataka to visit a cousin and stayed on. But finding a job for an HSC pass in Mumbai wasn't easy. With help from friends, in March 2006 he got his first job in sales at ICICI bank. He sold insurance policies and other products and services that the bank offered. Keen to

pursue an MBA his brothers didn't support his education, says Vaidya, the youngest of four brothers. "At times, I tend to think would I be serving tables if I had pursued an MBA?" he says. He joined the restaurant as a trainee supervisor at a monthly salary of ₹5,000. A year later, he became a steward, and in 2009 he was promoted to the post of captain. Last year, he got another promotion and became the senior captain. He now draws a salary of ₹8,400. "I am eyeing the post of a supervisor," he says "In five years, I hope to become a restaurant manager."

— Humaira Ansari

"I worry about my future all the time."



PHOTO: KESHAVA VITLA

BALAKRISHNA SHETTY (31)
Cashier, Swagat restaurant, Bangalore

After finishing second year in a Bachelor's degree, Shetty ran away from home in the hopes of finding work. He wanted to help his younger siblings further their education. The eldest son of a small farmer and a housewife, Shetty grew up in poverty. He would help graze cattle, plough fields and clean the house. In Bangalore, he found work as a cleaner in a hotel for a salary of ₹1,600 a month. Now, promoted to cashier in a restaurant in the hotel, Shetty earns ₹6,000, but he is far from happy. "If I had completed my third year in college, I could have worked in a bank. That was my dream but now it's over."

— Naveen Anmembala

"As an electrical engineer, I couldn't see myself growing."



GURPREET SINGH/HT PHOTO

JASPREET SINGH BEDI (26)
Advanced resolution expert at a call centre, Chandigarh

Jaspreet Bedi quit his job as an electrical engineer in Surat to join a call centre in Chandigarh five years back. Jaspreet could see the BPO industry growing fast and he wanted to earn a quick buck. Despite having to start from scratch, he was happy owing to a handsome salary, stability and a promising chance of growth "I knew growth would be much faster here," says Jaspreet. Now Jaspreet is pursuing an MBA in HR, which he hopes would help him earn a middle management role in the next ten years.

— Shamim Jones

LUCAS PIRES (26)
Customer service representative at a BPO, Mumbai

Lucas Pires became a customer service representative right after school. Back in 2005, a monthly salary of ₹13,000 was princely to Pires. "I just couldn't quit. It was a lot of money back then," he says. Soon, juggling night shifts and studies proved exhausting and Pires, a bachelor of commerce student, flunked his exams. He dropped out and settled for the BPO industry. In 2008, Pires got married and is now a father of a two-year-old. "My parents and wife still insist that I should finish my graduation," he says. "That's the only way I can move up the ladder," he adds with dismay

— Humaira Ansari

"I may never go above team leader."



PUNEET CHANDHOK/HT PHOTO

HINDUSTAN TIMES - C Fore SURVEY

SURVEYING SERVICE

Employees in the service sector with varying years of experience tell similar tales, revealed a survey commissioned by Hindustan Times and carried out by C-Fore. Almost 70% of those who have been working for over 8 years regret joining the sector early in their careers. Of those who have been employed less than 5 years, 6 out of 10 regret choosing the service sector. A staggering 63% of these younger employees said they weren't qualified for a better job.

	SENIOR EMPLOYEES WORKED MORE THAN 8 YEARS	YOUNGER EMPLOYEES WORKED 0-5 YEARS
Do you regret joining the BPO/retail/hospitality sector early in your life?		
Yes	68%	61%
No	25%	32%
Cannot say	7%	7%
If given a chance would you again join the service sector or another industry?		
Hotel/BPO/sales dept. of a mall retail	27%	30%
Another Industry	73%	70%
Why did you join the service industry?		
I love my job	13%	10%
It pays me well	33%	15%
Quick career growth	17%	12%
I wasn't qualified for anything else	37%	63%
Why did you leave your last job?		
Long Hours	15%	32%
Low Wages	25%	17%
Lack of Personal Growth	43%	36%
Rude Colleagues/Boss	17%	10%
Bad Work Conditions	0%	5%
How do you intend to improve your career prospects?		
Doing an MBA	28%	30%
On-the-job training	12%	17%
Changing jobs	40%	38%
Moving out of the service sector	20%	15%



THINKSTOCK

METHODOLOGY: The survey was conducted in Delhi, Mumbai, Kolkata, Chennai, Bangalore, and Hyderabad between 20th and 27th February, 2011. A structured questionnaire was administered to two categories of employees in the service sector (hotel/BPO/sales department of a mall retail chain etc) — those who've worked for more than 8 years and those who had recently joined the workforce of a BPO/retail/hospitality in the last five years. In all, 982 employees were interviewed with the help of a structured questionnaire.

What are your educational qualifications?

Class XII 52%

Graduation 43%

Post-Graduation 5%

Ph.D. 0%

How many jobs have you held so far?

My first job 48%

2-3 jobs 37%

4-6 jobs 15%

7-10 jobs 0%

What are the prospects for promotion in your current job?

High 6%

Dim 67%

Depends on my output 27%

