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Eggshells underfoot



Sujata Srinivasan

THE champagne bottle went pop as the toast kept fizzing non-stop. That was the Bay Area romance story two years ago.

Caught in the US economic recession and tech downslide, hundreds of Indians on the bench are trying desperately to find jobs, shift to Canada to try their luck, or simply head back home to India. Talk to any software professional and nine out of ten describe the scene with the words ``grim," ``madness" and ``crazy."

Before the grim preceded the madness, all seemed hunky dory and too good to be true. Says twenty eight year-old Samir Shah, a software engineer from Mumbai who got body shopped, ``Any Ram and Shyam would do a computer course, call himself a

professional and land here. They all got jobs with plum pay. But now, only the cream will survive."

Hundreds of contracts are being terminated and many are without jobs. Says Shah, `` If you go back with the money it's not so bad. But most people who came here two years ago were carried away by new money. Today, most of them are broke due to mortgages on pretty homes and loans on fancy cars like BMW, which they purchased the moment they arrived in the US! I know so many who did that. For them, it's terrible."

Shah, his wife and their three year-old daughter relocated to Canada after the last company he was working for, Sira Inc, filed for bankruptcy a few weeks back. Something that is now of common occurrence among Bay Area companies. Adds Shah, who is still looking for a job in Canada, `` For instance, Teckedge has laid off 800 people, all of whom are Indian contract workers. Visual Tech, another Bay area company, has cut salary by half. This is the common trend now and most of us are having a really tough time. Every day, I have tonnes of friends who are calling me here to know about job opportunities in Canada."

ERP, onsite support, portal development and EDI are tumbling like nine pins. What's hot, is offshore development, EDI with XML integration, and enterprise application integration. For the US job market, fresh graduates from engineering schools and low-level programmers are out. It is estimated that companies will recruit less than 30 per cent of graduating Indian computer science students from US universities, this year. Managers point out that students of Masters in Computer Science are expected to find it difficult to obtain their Practical Training Visa. The PT Visa enables students to work

on internships and short-term projects for companies.

Project leaders with over five years experience, are in. `` When companies can get senior-level professionals easily and at a lesser pay, why would they consider freshers or workers with less than three years' work experience?" asks Yogesh Devaraj, a senior employee with Cisco, Sunnivale. Devaraj has over ten years experience in project management, and is confident that people with similar background will continue to get job offers, though pay scales are going down.

`` There is no point for these young people with limited work experience, and who are on the bench, to remain here and burn their savings. It is very difficult for them to get another job and they might as well go back home."

In areas like software consulting, business has gone down by over 80 per cent. `` Big companies are closing numerous projects and many consultants have already gone back to India. There is no new business or new projects out here," Devaraj says.

According to Challenger Gray & Christmas, a Chicago job placement firm that tracks layoffs, dotcom companies would cut 17,500 jobs, bringing the year's total to 51,000. Most of this is expected to hit the Bay Area the hardest. Further statistics point out that the demand for IT workers in the US has been slashed down to half. The outlook continues to look bleak.

Stephen S. Roach, Morgan Stanley's chief economist, is reported to have said in January `` We are shifting our outlook to an outright recession scenario in the United States and I would now attach a 45 per cent probability to a full-blown global recession."

The American Competitiveness and Workforce Improvement Act (ACWIA) of 1998 states that an employer is not allowed to pay a discounted salary to a foreign employee while he/she is not on productive work for the employer. That is, it is the consulting company's responsibility to pay a full salary to an HI-B employee if he/she is benched. But with companies struggling to save bottomlines, few are paying bare minimum rent and food allowance. Points out Sriram Venkatachalam, a consultant and bodyshopper who has been in the US for over seventeen years, `` Even big software players do not pay people on the bench. They only provide accommodation. Thousands of workers have already been benched and by December, tens of thousands of Indians will go back home."

Adds Venkatachalam `` Out of the quota for this year, that is, of the 1,95,000 HI-Bs, there was an inflow of only 30 per cent as of the last three months of the previous year ended December. If we compare this with 1999, we had used up to 70 per cent of the quota by December."

For bodyshoppers, the party has ended with a dismal note. Previously, all that one had to do was get hold of a headhunter in India, keep advertising here on the Web, and facilitate placements. Most of them bagged a neat \$10 to \$15 per hour per person. From software engineers to computer short-term diploma holders, they were able to find something for everybody. With the pull back by big players, hundreds of small software firms which have mushroomed in the last five years are being hit.

Says Venkatachalam `` Indian companies like CBSI in Chennai and Mastek in Delhi, are calling employees back to India. With the big US tech companies going downhill,

Indian companies working with them, are being impacted."

With software companies in Bay Area strapping their cost-belts tight, offshore work is proving to be a hot option. Says Venkatachalam, ``Cybertech, an Indian company in Chicago, has sent 40 employees to its offshore centre in Hyderabad." Adds Ashok Krishnan, Vice-President, Innova Solutions, a software firm in San Jose which partners with Cisco for CRM, ``We are saving about 50 per cent mainly in salaries and benefits, after we shifted 110 of our 240 employees offshore. We started offshore business in December last year, and 80 employees have been sent back to India."

Many companies like Innova have shifted their senior-level employees to India. Salaries are paid in Indian currency. Krishnan points out that with hundreds of Indian professionals going off the US marketplace, there will be a host of experienced workers returning home. These are the kind of people who will be tapped for building offshore talent.

While professionals juggle with meagre job alternatives, their spouses juggle with thinning household monthly budgets. With Bay Area rents at around \$3000 per family, women are walking tightrope on kids' schooling and household groceries. What with car loans to boot, every penny counts when no money comes in. Says Bhavana Shah, wife of Samir Shah who relocated to Canada looking for work, ``The whole of India was there back in Fremont. Today, women think a hundred times before shelling out a few dollars. Suddenly, there is no money coming in."

Hundreds of young Indian software professionals have no clue on what tomorrow has in store for them and their

families. It's an American fairy-tale that ended at the Ogre's door.

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