

# THE AUSTRALIAN

## Infosys under Vishal Sikka reflects India's IT success story

GREG SHERIDAN THE AUSTRALIAN MAY 16, 2015 12:00AM



People typically visit Mysore, in the southern Indian state of Karnataka, for the palaces and the temples. Source: News Corp Australia

**People typically visit Mysore, in the southern Indian state of Karnataka, for the palaces and the temples. They give eloquent testimony to the cultural continuity stretching back across the centuries in India.**

But I visited Mysore to see another kind of temple, stretching forward to project a cultural continuity into the future.

I spent a day or two at the Mysore campus of Indian information technology giant Infosys. Hi-tech companies often affect to call their corporate establishments campuses. But the Mysore Infosys campus really is just that. It is the world's largest private corporation university, although it doesn't confer degrees or diplomas.

Its role, so one of its executives tells me, is to "turn graduates into professionals".

When I visit, Infosys has about 6000 students resident on campus, though that number often reaches 14,000. Every new graduate hire at Infosys undertakes a training course at Mysore running generally about six months. The focus is on technical education, as well as what one might call professional social skills, and finally that elusive characteristic of problem solving and "design thinking".

The Mysore campus is one of the most serene, green and picturesque sites in all of India, and I am not exaggerating. It is spread across almost 138ha. Its main educational building reminds me of the US Naval Academy in Annapolis, but it is much grander.

It is drenched in sustainability, clever energy-efficient designs, water recycling, renewable energy, and every trick and innovation of environmental friendliness that you can possibly imagine several thousand Indian IT geniuses coming up with.

Over my two days, I see thousands of students strolling to class and recreational activities. It is a geeks' paradise. But while they are students these young Indians are also employees. The young men are all in formal trousers and business shirts. Almost all the women are in some variety of traditional, formal Indian dress.

There is an international-standard cricket pitch, an Olympic-sized pool, volleyball, tennis and other sports facilities and a multiplex cinema. But these are all idle during work hours. The campus embodies Infosys values. No alcohol is allowed on site. One thing is striking: the gender ratio. It's 50:50. Young women are attracted to computer programming and all its attendant skills. They are just as good at it as the blokes. Infosys is a meritocracy. Gender, caste, religion — that's not what counts.

Infosys is a company with global revenues of \$8.7 billion this year. It spends 1 to 2 per cent of its revenues on training. Its new chief executive, Vishal Sikka, who bases himself out of Palo Alto, California, but is always on the road, plans to hire 25,000 to 30,000 new people this year. Infosys has a turnover rate of about 10 per cent of staff a year, out of its 170,000 or so employees worldwide. It doesn't mind that turnover; people get big money offers from other firms or leave to start their own business. It likes constant renewal. Sikka has declared his global revenue target to be \$US20bn by 2020.

Getting hired by Infosys is an intensely competitive business. Only graduates at and near the top have a shot. But Indian universities, like those the world over, produce a lot of graduates who are not necessarily ready for gainful employment. The Mysore campus takes the nerd and makes him a go-getter. It is a new Indian elite, and it is a good elite.

I spend another day at the Infosys headquarters at Bangalore, a few hours' drive from Mysore. Australians should know Bangalore better. Compared with many Indian cities it has a paucity of grand temples and palaces. But it is a magnificent city of IT commerce and invention.

It is something like India's Shanghai. Its problems come from traffic and congestion — from success. Its skyline pulsates with new apartment buildings.

Start-ups are everywhere. With Hyderabad and Pune, it is India's Silicon Valley, though there are so many Indians in California's Silicon Valley that that is just about Indian territory as well.

The average young computer programming professional at Infosys Bangalore, so one of its executives tells me, earns about 25,000 rupees a month. That's a bit more than \$6000 a year. That is not a king's ransom, even in India, but it is well and truly enough to provide a middle-class life in Bangalore, especially in households with more than one earning member.

You can see from these stark figures, too, the massive natural comparative advantage that India has harvested in IT. A top-of-the-ladder programmer in Australia may earn 10 or 15 times that much. So

India has a big advantage in price. But IT problems, software applications, back office processing and all the rest also often need scale. Infosys, and other Indian companies like it, can provide tremendous scale at very short notice, whenever it's required.

Infosys is a household name in India. It lost a bit of momentum in the past couple of years as it struggled to embed succession from the last of its founding fathers. But it seems to have its mojo back.

But I am not so concerned with its immediate prospects as what its overall achievement tells us about modern India and all its potential.

Infosys, and India's whole IT miracle, began almost by accident, by the most fortuitous of coincidences.

I meet Pravin Rao, Infosys's chief operating officer, at his Bangalore office. He joined Infosys in 1986, when the company was five years old and employed fewer than 50 people. The company was founded by a handful of friends who had borrowed their wives' jewellery to raise the \$250 start-up capital.

Pravin joined almost by accident. He had been accepted by an American university but did not receive a scholarship, so he couldn't afford to go to the US.

He heard Infosys was recruiting people and sending some of them to the US.

When Infosys was hitting its stride, about a decade after its founding, the Indian government began deregulating the Indian economy under the then finance minister Manmohan Singh. Before that it had been difficult to import computers or even to go abroad for trade purposes, as special permission was needed to take currency overseas.

But luckily the Indian government didn't see the IT industry coming, so it didn't regulate it. All its negative socialistic heritage was focused on manufacturing.

"I think we missed the boat on the manufacturing revolution," Pravin says. "One view is that when IT came along the government basically stayed out of the way. There were a few tax holidays but it didn't bring in heavy labour laws and unions.

"In manufacturing, Indian industry is beset by trade unions and beset by low productivity. To a large extent the government stayed away from the IT industry and it's become a very attractive sector."

As a result, too, wages and conditions in IT are far superior to almost any other sector of the Indian economy. "Historically Indian IT started with its cost leverage," Pravin says, meaning it was cheaper than anywhere else.

"Now increasingly it's about Indian capabilities.

"India has a very rich talent pool, with people who have the ability to learn new things".

A few days in the company of Infosyians, as they call themselves, almost changes the shape of your brain. "Design thinking" seems to mean dreaming up both the problem and the solution before anyone else has thought of either, taking them both to market, then endlessly and rapidly refining the offering all the time.

Pravin, though a man of mature years, speaks of children now who have grown up with screens always at their fingertips and in a totally digital universe. They will want that same ease and power and instant response in all aspects of life, not just things that screens and digital technology are used for now.

Historically, Pravin says, industry researched innovations and offered them to the consumer. Now consumers will communicate their wishes, or industry will somehow discover these hidden wishes and desires, and this will power innovation.

I have no independent knowledge or expertise about these matters. Infosys has plenty of competitors. With all its work on artificial intelligence and design thinking, I really don't know whether it's inventing the future. Lots of people will have a say in the future. But I do know that this company and the IT industry it represents have played an enormous role in diverting the course of the mighty river of Indian humanity.

There are not many finer temples anywhere than the Mysore campus.

Greg Sheridan was in India to deliver the Alfred Deakin memorial lecture for the Australia India Institute in New Delhi. He visited Bangalore and Mysore as a guest of Infosys.

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