

The Role of IT and Outsourcing in India for Sustainable Economic Growth

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ABSTRACT

This paper examines the widening of powerful potential among solid in Indian software industry by looking in some detail at the changing limitations, chance and contesting front binding solids. The information Technology Industry provides the base for fragment producing, transmission network and computer network. The area of this zone has spread at a huge outlay of 35% per year during the last 10 years. Its present to the national gross domestic product is expected to be around 8.5 by the year 2017 – 2018 quite similar to that in the United States today. The IT sector hopeful advance for the rest of the gainful. IT out sourcing does in fact provide means to better achievement and efficiency India establishment, maybe more than firms in any other developing country, are well placed to take advantage of it. It also exhibit that in Aggregate, IT outsourcing makes a substantial present to economic growth.

Keywords: Information Technology Economic Development, Outsourcing : India Employment.

1. INTRODUCTION

Information technology is the operate of computer to reserve, recover, transfer and handle facts or particulars, frequently in the factors of a profession or more task. IT is examine to be a subgroup of knowledge and transmission technology. Information Technology in India is an Industry include of two major components. IT services and (BPO) Business processing outsourcing. IT sector has been increased today in India's GDP (Gross Domestic Product) from 1.2% in 1998 to 7.7% in 2017. IT Out sourcing is the utilize of rent Resources outside of an firm to lift clear statistics technology reason. It has built our governance well organized. Those 5 key lean concept are: benefit, benefit confluent, drift, drag and excellence. IT lead principles. "lead Principles" are how we want to operate. "aims" are what quarry we want to place. "procedure" are how we achieve the objective. The principles below should every IT resolution creator on campus.

The term outsourcing is going "Out" to find the "Source". Thus, a software outsourcing company is an association that helps other companies to outline, plan, generate a prototype, progress, and test software onshore outsourcing. In this case, a company engages a software company within its native country.

Outsourcing referred to combination of the terms "Outside" , "Resource", "Using" which means going outside the firm to use the resources of other companies.

There are the five main components of IT.

- Online business (ecommerce)
- IT services
- ITES (IT Enabled Services) eg. BPO
- Software products
- Hardware.

- 1) Online business or e- business is any type of business or trading deal that embrace split data across the internet. Commerce form the swapping of effect and help between business, category and being and can be seen as one of the necessary activities of any business.
- 2) IT services mention to the Application of business and technical skill to entitle corporation in the creation, management and optimization of or approach to information and business processes. The IT services market can be separate by the type of skills that are employed to convey the service (design, build, run).
- 3) ITES, Information Technology enabled service, is defined as outsourcing of process that can be enabled with information technology and covers various areas like finance, HR, administration, healthcare, telecommunication, manufacturing etc.
- 4) Software products are nothing but software system delivered to the customer with the illustration that narrates how to install and apply the system. In certain cases, software products may be part of system products where hard range, as well as software, is bring to a customer.
- 5) Hardware is typically directed by the software to execute any prescribe or requirement.. Computer Hardware includes the substantial, material parts or module of a computer, such as the cabinet, central processing unit, monitor, keyboard, computer data storage, graphics card, sound card, speakers and motherboard.

2. THE NEARLY ALL REGULARLY OUTSOURCED IT FUNCTIONS

- Web Development
- Hosting
- Software and Application Development
- Website / Application maintenance or management.
- Technical Support.
- Database Development and Management.
- Infrastructure.

WEB DEVELOPMENT

Web development is the work elaborate in developing a web site for the internet (World Wide Web) or an intranet (a private network). Web development can scope from progress a simple unique fixed page of simple text to composite web- based internet applications (web apps), electronic businesses and social network services “Web Development” usually refers to the main non – design aspects of building. Websites: Wring Markup and coding.

HOSTING

A web host, or web hosting aid supplier is a business that issue the technologies and services needed for the website or webpage to viewed in the internet. Websites are hosted or save, on unusual computers called sewers. If you do not have a domain, the hosting companies will help you purchase one. Most hosting companies require that you own your domain in order to host with them. If you do not have a domain, the hosting companies will help you buy one.

SOFTWARE AND APPLICATION DEVELOPMENT

Software development is the action of save, identify, scheming, programming, documenting, testing, and bug fixing involved in creating and maintaining application, frameworks, on other software components. Software development is a process of writing and maintaining the source code, but in wide hearing, it involve all the is elaborate between the conception of the desired software through to the final exhibition of the software, sometimes in a planned and structured process. Therefore software development may include research, new development, prototyping, modification, Reuse, Re- engineering, maintenance, or any other activities that Result in Software products. An App is the common idioms term for a software Application or software program that can be run on a computer device to accomplish a test easier and more efficiently than we could do it ourselves as more mortals. Application development is the name of the profession that employs people who design, develop and deploy these computers Application.

WEB SITE / APPLICATION MAINTENANCE OR MANAGEMENT

A website or web site is a collection of related network web resources, such as web pages, multimedia content, which are typically Identified with a common domain name, and published on at least one web server. Notable examples are Wikipedia. Org, goooogle.com and Amazon. Com web pages, which are the building blocks of websites, are documents, typically composed in plain text interspersed with formatting instruction of Hypertext Markup language (HTML, HXTML). Application Management and maintenance is an important element towards enhancing and extending the life of the Applications. Expires IT focuses on seamlessly maintaining and transforming your business – critical Application to meet changing business needs. Application Maintenance is the constant updating, modifying and Reassessing of software applications to correct faults or improve performance.

TECHNICAL SUPPORT

As a Technical Support (Tech support) worker, you will be tasked with monitoring and maintain an Organization's computer systems one networks you will be responsible for diagnosing any hardware or software faults with these systems and will solve the issues either in person or over the phone. The Technical support team is composed of individuals that are familiar with the ins and outs of a device. Technical support may be provided over the phone, through email, or with a live chat interface.

DATABASE DEVELOPMENT AND MANAGEMENT

Database Development and Management explains all aspects of database design, Access, implementation, application development, and management, as well as data analysis for business intelligence. This self – contained text gives students hands – on projects required for professionally developing and managing databases.

INFRASTRUCTURE

Information technology infrastructure is defined broadly as a set of information technology components that are the foundation of an IT services, typically physical components, but also various software and network components. The fields of IT Management and IT service Management Rely on IT infrastructure, and the ITIL framework was developed as a set of best practices with regard to IT infrastructure enterprises. IT infrastructure typically refers to components Required for the existence, operation and Management of an enterprise IT environment.

EXPANSION OF IT INDUSTRY IN INDIA

The origin of IT industry in India can be traced back to 1974 when Tata consultancy Services (TCS) got its first US client- Burroughs Corporation, United States. The job assigned was to write software code for the Burroughs machines. The IT industry was formed in a very unusual market conditions. India's IT & ITES industry grew to US \$ 181 billion in 2018-19. Exports from the industry increased to US \$ 137 billion in FY 19 while domestic revenues (including hardware) advanced to US \$ 44 billion. Spending on Information Technology in India is expected to grow over 9 per cent to reach US \$ 87.1 billion in 2018*. Other IT giants of today also stated their growth stories with modest beginnings (WIPRO in 1966, Infosys in 1981).

EXPANSION OF IT SECTOR

Phase I (before 1980) In this first stage, India software industry was nearly imagined. There were some difficulty with Government policies like the export of software was dependent on the imports of hardware. Moreover there were no suitable configuration solution for software. In 1972, the government formulated a new software export scheme, in which it was distinct to import hardware and export software. TCS Ltd., became the first company to accept such scheme. In 1974, the software export was started in India.

Phase II 1980 to 1990 The GDP growth Rate improved (from an average of 2.9 percent in 1970s to 5.6 percent in 1980s) during the 1980s. This was fundamentally due to two Reasons Liberalization of industry and trade (Reforms of 1980s see below). Borrowing from abroad and rising government expenditure at home. The external borrowing helped bridge the considerable gap between exports and imports and raise the total GDP growth rate. Thus, foreign borrowing made a positive contribution to growth.

Phase III 1990 to 2000 This duration has observed strengthen contesting in IT zone. During this stage there were some outstanding alter in Indian economy, including trade liberalization, composure in the arrival barriers, space up of Indian economy for foreign expenditure and devaluation of Rupee. Due to the liberalization, a stream of foreign investments came in India and MNCs in India were introduced "Offshore Model", "Onsite model" and "Global Delivery Model" (GDM) were introduced as part of the services.

Phase IV 2000 -2010 2000 – 2010 has exist a stretch of quick extension of the IT industry. Software offices companies were receive good volume of foreign trade as a success of inexpensive hardware, quick transmission and environment up of software. Technology parks pass 2002 -2003 the industry has record a robust development price. Throughout this level, there was in enlarge in India client base, huge categorize reduce and a powerful international distribution reproduction.

Phase V upright 2010 Upright 2010, India has become world's great collected goal for IT industry. Online retailing, e- commerce and cloud computing are all present to rapid widening of the IT industry. India's IT industry is await to grow at a Rate of 12 -14 % through 2016 – 2017 as per a detail by India's software industry body National Association of software and services companies.

BENEFACION OF IT ZONE TO INDIA'S EXTENSION HISTORY

India IT industry has reach outstanding broadening throughout the pole – profitable improve interval. India's IT industry provides all over 7.7 percent to the country's GDP and is await to grant 10 percent of India is GDP by 2025. India is fetching one of the nearly all choose goal for business activity outsourcing (BPO) as far as IT authorize favour are anxious. These services are uplift Indian financial system and this is obvious in their offering to internal gross domestic product (GDP).

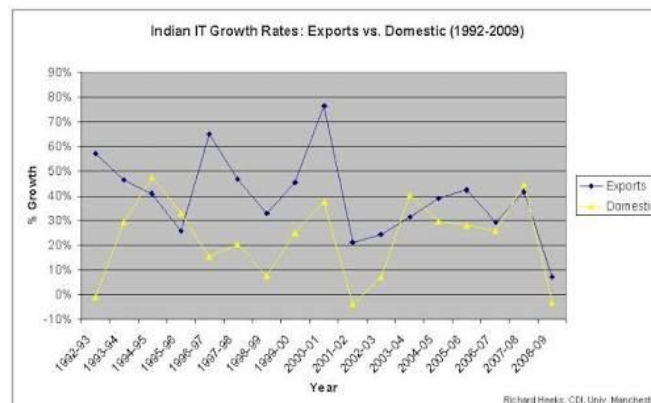


FIG NO 1

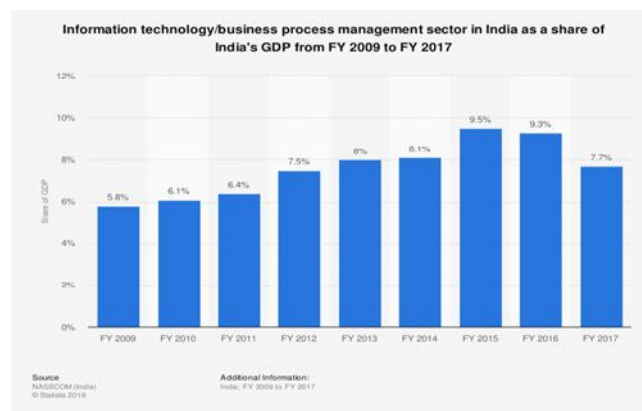


FIG NO 2

ESTABLISHING INDIA'S POSITION AMONG THE TOP NATIONS

India was at 57th position in 2018 in phrase of transformation and rise – appear technologies India has been executing well and has upgrade its position by 29 places in the global index since 2015. India had list 81 in 2015, which rose to 66 in 2016, 60 in 2017 and 57 in 2018. Top IT companies in India are contributing to the growth of technology not only in India but globally. Over the last few decades, top IT sector companies in India have become the global leaders in IT sector. Some of the best Indian IT companies are part of the top software companies world over. Clients of these IT companies come from US, UK, Europe, APAC and locally in India. Some of the top IT companies in India are TCS, Infosys, Tech Mahindra, Wipro followed by HCL, L & T, Mind tree etc.

THE LIST OF THE TOP 10 IT COMPANIES IN INDIA 2019

❖ 1 st place	-	TCS
❖ 2 nd Place	-	Infosys
❖ 3 rd place	-	Tech Mahindra
❖ 4 th place	-	Wipro
❖ 5 th place	-	HCL Technologies
❖ 6 th place	-	L & T InfoTech
❖ 7 th place	-	Mind tree
❖ 8 th place	-	Mphasis
❖ 9 th place	-	Oracle Financial Services
❖ 10 th Place	-	Rolta India

3. FOREIGN INVESTMENT IN IT INDUSTRY IN INDIA

A number of foreign investor are investing in India software industry thus contributing to the growth of Indian economy. These investments are mainly in the form of

FOREIGN DIRECT INVESTMENT

There are a number of international companies in India that finance straight in their businesses in India e.g. Google, Accenture, Microsoft etc. New Delhi Foreign direct investment (FDI) integrity overflow rose 28% in the first quarter of 2019 – 20 to \$ 16.3 billion from \$ 12.7 billion in the year – ago period, Singapore keep up to be the top origin of FDI at \$ 5.3 billion, followed by Mauritius (\$4.6 billion).

FOREIGN INSTITUTIONAL INVESTMENTS

India economy is get bigger fast and has attracted the interest of foreign investor as favourable market for speculation. Many countries like us Malaises, Singapore, China and Dubai have invested in Indian stocks that include the IT sector. As per India government recent FDI polices, up to 100 percent FDI is allow under the computerized route in information organize software

establishment and computer specialist services, software supply services, business and Management specialist service, market research services, technical testing and analysis services.

4. GENERATION OF EMPLOYMENT OPPORTUNITIES

IT sector to remain high job creating sector: Projections.

- Industry experts and NASSCOM say the Indian IT workforce will touch 30 million by 2020 becoming the highest sector employer.
- It is expected that there will also be steady increase in salary structure in IT sector.
- The outsourcing industry is also exploring India to set up their base and is expected to be a \$ 2.5 billion industry in next 24 months.
- According to the IBEF (India Brand Equity Foundation) figures, the Indian IT industry is set to touch \$ 225 billion by 2020.
- Companies are looking to beef up operations especially in areas like data sciences, Algorithm design and cloud computing.
- Indian IT / ITES sector is poised to grow at a cumulative growth rate of 9%, according to figures from Recruitment and staffing company Rand stand.
- The Team learn employment outlook report predicted an increase in hiring form October 2016 to March 2017 compared with the previous six months.
- Moorthy uppaluri, CEO, Grandstand India predicts “ We foresee at least 75% of the Indian IT /ITES companies increasing their headcount in the next six months. The industry is expected to remain remember that value proposition is necessary in order to maintain that edge”

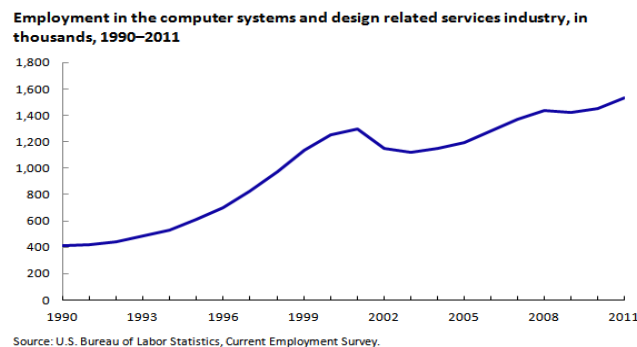


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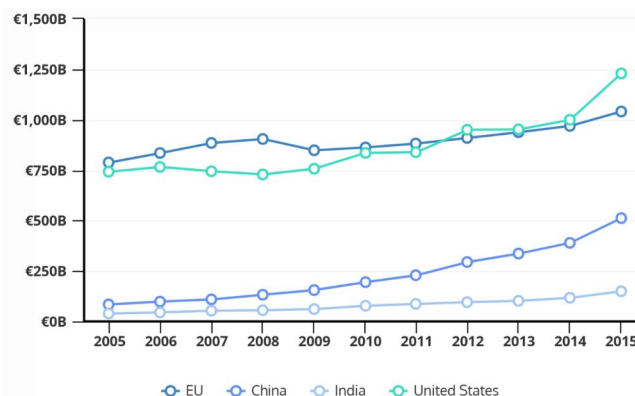


FIG NO 4

Trends in the information technology sector

RESOURCE DEVELOPMENT

Heightening of IT industry in India necessary a huge numeral of well informed and professional human resources. The Resources require for exploration embrace capitalize and human capital, which are connected strengthen in funding for information technology (IT) research can empower industrial and university testing ground to rent more Researches, lengthen the number of graduate students instruct in the nation's Research universities, and permit the buy of more IT Hardware, software and kindness to hold up those people.

TOWARDS GENDER PARITY

About the place of women in IT industry, NASSCOM states, "In the Indian IT industry , women now account for close to 45 percent of the entire employees and this is look forward to go up 65 percent by 2018. " A shielded surrounding, upright work and equivalent chance assist in widen the number of women in the human resources".

5. CONCLUSION

The IT industry in India has appear a wonderful flourishing in the rearmost pair decades. It has advance tremendously a long way from minimum percentage of GDP to an magnificent percentage. The India IT –BPM industry's keep up origin is as long as a sizeable inspire to business and is forecast to issue earnings up to USD 300 billion by 2020. Information Technology helps business government and individuals spread their regulation and benefit. High-speed upgrade in hardware and deal with potential intensity consumes to purchase new applicable technology. On a market level, this sharp yield generate command. From a frozen viewpoint however, this can determination in a bottom client retention hire. Anyway logistics are carrying on with to request new technological solutions, go away from room for new recruit, especially those with a exclusive idea. Firms who are able to observe a slot market or one with low contesting- will realize this industry prepossessing. Barriers to arrival carry on high when entering existing markets through, therefore most potential entrants will find overall industry unattractive.

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