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# Can India keep office politics out of outsourcing?

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When underwriter Ram Negi considers whether to approve a loan from San Jacinto, Calif., he crawls through about 80 pages of documents, which any applicant dreads compiling. And he reads them very, very carefully.

Mr. Negi is trying to sniff out fraud in the applications. "About 45% of people are hiding something," he says. So, if someone doesn't come clean about his assets—like the guy who claimed he had three other

applicant lies about his income, Mr. Negi can hold out for the truth before making his irreversible decision. “If I deny the loan, then it’s denied,” he says. “There is no chance.”

Far from a power-wielding crank, Mr. Negi, who works for the outsourcing firm Equinox in Gurgaon, India, is a soft-spoken and unassuming 26-year-old who, like many of his young colleagues, still lives with his parents in New Delhi. In a large room of blue cubicles, under some crooked ceiling tiles and fluorescent lights, he sits shoulder to shoulder with his managers as well as with his junior colleagues.

The scene points to one of the little surprises of India’s outsourcing boom: Knowledge outsourcing, the offshoring of skilled work, is outpacing the simpler call-center work, rising 42% last year compared with 34%, respectively. Tasks one wouldn’t expect to see leave the four walls of American companies are handled overseas by the world’s second-largest reserve of Ph.D.s, M.B.A.s, engineers, doctors and lawyers.

It’s a professional cubicle class working on heady stuff such as equity research, biotech R&D and legal services. And even though some of these are professions known for their outsized egos, office politics haven’t been a big problem—so far.

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The knowledge-outsourcing industry is growing so fast that it hasn’t yet fostered the level of back stabbing, turf wars and stealing credit you see in any mature business. In fact, in India’s older industries, such as manufacturing, there’s plenty of political maneuvering—like, say, publicly agreeing with the boss when you privately don’t—and plenty of private grumbling, executives point out. But in the hot knowledge-outsourcing industry, which is desperate to hold on to its talented people, hierarchies aren’t built into the floor plan, executives entertain suggestions from the lowliest of employees, and if a boss is playing favorites, he will get an earful from a powerful HR department

The setup helps to diffuse the poison of office politics. Deepa Trivedi, a senior process executive at Tata Consultancy Services, when asked for an example of back stabbing, can't seem to think of one. Ms. Trivedi, a Ph.D. in life sciences, has bigger things on her mind—specifically, the documents she drafts for a U.S. drug company to get FDA drug approval. “I have the therapeutic knowledge and understanding of the drug,” she says.

“Nobody expects more than that,” she adds, speaking about her colleagues who, like her, appreciate the work and the benefits, and don't mind sitting in a blue-and-gray cubicle instead of a corner office.

Such job satisfaction is a preoccupation for people like the head of her company, Sanjay Gupta. He is quick to reveal his flaws: Some thought he wasn't spending enough time with junior employees. “I went through some introspection,” he says, seeming troubled. He now meets with employees once every two weeks, and he has helped arrange for perks—from guitar lessons and salsa dance classes to big health-care benefits.

Employees are often shown the same kind of deference shown to overseas clients. As Alok Aggarwal, chairman of outsourcing firm Evalueserve, likes to say to his customers: “We row. You steer.”

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But Mr. Aggarwal sees a time when these highly skilled workers start vying for higher posts, and succumb to office politics. As a young industry, the knowledge-outsourcing business may have the egalitarianism of the dot-com era. But it will eventually become more political.

“People build their own empires and those empires become silos,” says Mr. Aggarwal. “I don't see how to stop it from happening.”

It's also hard to keep everyone happy. Says Nitin Aggarwal, director of Pipal Research, which conducts financial and strategy research: “We're

almost 100% M.B.A.s. That has its own challenges. They're more ambitious."

Still, "there is a quite a marked difference" between these young workers and their U.K. and U.S. counterparts, says Matthew Banks, senior vice president of Integreon Managed Solution's legal-process division, which does work such as drafting acquisition documents. The outsourcing workers don't expect the trappings of status and trinkets that their overseas counterparts do—things like company-logo beach blankets and mouse pads.

He says a young lawyer in the industry, for example, would never say, "Can you believe they only have three cross-training machines in the office gym?"

But with knowledge outsourcing growing so fast and the talent crunch so acute, the perks are coming. Says Mr. Banks: "Actually, we do have the mouse pads."

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