India’s vast talent pool can ease the UK pensions capacity crunch

India is the world’s fastest-growing major economy and, after overtaking the UK in 2022, is on track to surpass Japan and Germany to be the third-biggest economy by the end of this decade

Fuelled by global megatrends, earth’s most populous country is reaping the rewards from decades of investment in its people, technology and infrastructure.

India’s services exports are a large and rapidly growing element of this story. Services exports jumped from $53 billion in 2005 to $338 billion in 2023 – 10 per cent of GDP – and are set to hit $800 billion by 2030, Goldman Sachs estimates.

This growth was initially driven by the familiar story of offshoring and outsourcing as international companies moved their back offices to cut costs. But India has become more specialised and higher value as its global hubs have expanded in IT, finance, HR and project management.

Britain has an administration shortage as pensions projects mount

Why does this matter to us in the world of UK pensions? Because India’s service capability is proven to ease the capacity crunch in pensions administration. Put simply there aren’t enough skilled people in the UK to carry out the mounting administration workloads created by trends such as:

• An ageing population – which means more people living longer in retirement

• Intensifying regulatory requirements such as Guaranteed Minimum Pension equalisation, pensions dashboards, tax changes (such as abolition of the Lifetime Allowance) and meeting consumer duty standards

• Changing member behaviour, where expectations have moved to expect immediate responses to complex situations operating in a digital world

Pension scheme projects are perhaps the most challenging element of this picture because they don’t fit into dayto-day operations. They are generally complex, can be expensive and are nearly always urgent.

When I talk to clients, projects are the number one topic of conversation. Trustees and employers want reassurance that we at Aptia can support their strategic ambitions without any reduction in the service they provide their members.

Like other scheme administrators, we are working to retain our best people and investing in technology that will free employees to carry out higher value work. We’re investing in artificial intelligence, automation and robotics – and as a specialist pensions administrator we have no other focus that competes for resources than providing good member experiences and outcomes.

But pensions administration still relies on people. That’s where our Indian operations come in.

India’s talented people are its greatest asset

At the heart of India’s growth is the country’s greatest asset – a vast resource of highly qualified, ambitious and dedicated English-speaking workers. The average age of an Indian worker is just 29, and, from a population of

1.4 billion people, the country produces about three million graduates each year. That's two million more graduates than the UK produces each year.

As other pensions administrators explore or consider the opportunities in India, we are building on our established position in the market. We have operated in India since 2007 and have moved up the value chain as India has diversified into more specialised business services.

We opened our first Indian hub in Mumbai, the country's financial capital, and followed that two years later with a hub in Gurgaon, a satellite city of Delhi with big financial services and IT sectors. In 2015 we opened a third office in Pune, a large second-tier city that is also a major IT hub and is renowned for the quality of its universities.

We employ more than 1,500 people across our three offices in India, which is an important, seamless and growing part of the specialist capability we provide for our clients. And we employ just over 250 people working jointly on pensions administration projects from the UK, Portugal and India. Those teams deal exclusively with projects, ensuring that business as usual activities are unaffected by client demand for strategic work.

We employ and develop our own people in India

The project teams focus on GMP equalisation, data cleansing, pensions dashboards, and de-risking/risk transfer. Indian employees already carry out work on all these areas.

'Employ' is a key word here. At Aptia, we don't outsource; we own our Indian operations and employ our people directly. The Indian business is fully integrated into our group operations and mirrors our UK business.

This approach has wide-ranging benefits – from employee engagement and career progression to security and client confidence.

We invest heavily in training and educating our Indian employees to drive up quality levels and give them a clear career path. More than 20 per cent of employees in India hold Pensions Management Institute qualifications and we have asked the PMI to help us significantly increase this number.

We're also a diverse organisation, offering opportunities across the business. Women make up half our Indian workforce and fill more than 20 per cent of leadership roles. We're investing in the skills of our Indian employees so that we provide the best possible service, bring on future leaders and keep our best people.

There is intense competition for talented Indian employees

This commitment to our employees is particularly important because, despite India's reserves of qualified people, there is fierce competition for talented employees and candidates. We have high retention levels across the business with a 93% score among top performers, compared to an industry average of about 75%.

Operating in India has other challenges as well as opportunities. Historically, some clients have been concerned about the security of their data in India, but all data resides in Europe and India only sees images of that data. There are no printing facilities, no open portals outside the business and no access to the internet for any of our administrators. And India has toughened its data protection law, driving up standards all round.

We took a group of clients and contacts to India in November to visit our offices and meet the teams who carry out work for them. We organise these visits regularly and everyone comes away in no doubt that India is an important part of Aptia.

India is a less predictable country than the UK on matters such as climate, weather and natural resources. We have adapted in many ways, but our geographically diversified offices give us options if one site were to be badly affected by an incident such as an earthquake.

Working from home makes managing the monsoon season much easier, but we have accommodation so that employees can stay there in comfort if they need to. Power cuts are rare these days in India, and our offices are each covered by separate generators that can bring energy from a different part of the world to limit business interruption.

Embracing India's distinctive culture is crucial to success ;

We have learned and developed during our 17 years in India. One lesson is that understanding and embracing the country's distinctive culture and practices is essential. Here are some significant differences between our Indian offices and the UK:

• Most of our Indian employees' working days are aligned to the UK and they finish work around 9pm. To keep them safe and align with industry practice, we transport employees to and from work in cars and coaches, often across distances of hundreds of miles

• Staff canteens have largely died out in the UK but our Indian offices have busy canteens where employees can buy meals at a nominal cost (often less than £1). The canteens are also meeting points for our employees to interact and collaborate

• Family plays an important role in the Indian workplace, reflecting the country's familial culture and many Indian employees living in joint families. When we send congratulatory messages and well-done cards to colleagues we share them with their parents as well. We also invite employees' families to social events at the office so they can see where they work.

If you are looking at India to support your pensions business, I would say go for it. The potential rewards are enormous – not just financially but culturally. But to truly capitalise on the opportunities India offers, you need to make a full commitment to the country and its people.

At Aptia, we will continue to grow in India to improve our services and carry out whatever work our clients need from us. India is central to our future development.

This article originally appeared in the December 2024 edition of Pensions Age

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