

IT hiring rises to pre-crisis levels, attrition comes down

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New Delhi, Oct 23: The just-concluded earnings season of the country's top four IT firms reveals that the recruitment levels in the \$60-billion IT industry has returned to its October-December 2007 peak. The icing on the cake is the news that average attrition in the industry saw only a marginal rise during the quarter on a sequential basis and job hopping is also expected to stabilise in the next two quarters.

Infosys Technologies, the country's second largest IT exporter, added 7,646 employees during the July-September quarter, which almost touches the net hiring of 8,100 people done in October-December 2007. The current hiring by the company has been the highest in the last three years.

TCS, the country's largest IT firm, broke all records as it surpassed its October-December 2007 peak. During the July-September quarter, the firm added 10,717 employees compared to 7,522 in October-December 2007. TCS has upgraded its gross hiring target from 40,000 to 50,000 on the back of higher demand.

Though hiring of employees by Wipro Technologies at 2,975 during the quarter was relatively lower compared to its peers, the

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Company	Oct-Dec 2007	Apr-Jun 2010		Jul-Sep 2010	
	Net addition of employees	Net addition of employees	Attrition (%)	Net addition of employees	Attrition (%)
TCS	7,522	3,271	13.1	10,717	14.1
Infosys	8,100	1,026	15.8	7,646	17.0
Wipro	2,389	4,854	23.0	2,975	23.5



company surpassed net additions of 2,389 made during October-December 2007. Unlike Infosys and TCS, Wipro's hiring picked up during the April-June quarter itself with 4,854 net additions.

According to Saurabh Govil, Wipro's senior vice-president (HR), demand in the industry is healthy at all levels.

The company is also hiring more sales executives and consultants for its onsite work. However, the main recruitment focus remains on technical professionals.

Surprisingly, attrition levels in the industry, which had shown a significant increase last quarter, seems to be stabilising now. "As most of the salary

hikes have taken place and people have made job changes, this was not a quarter of peak attrition. However, the percentage increase in attrition is not low, though it might have increased in absolute terms as the base now is higher," says E Balaji, di-

rector and president, of HR firm Ma Foi Randstad.

Govil stresses, "Our attrition levels have increased only marginally this quarter compared to the last quarter (from 23% to 23.5%). We had given most of our salary hikes in February and now things are stabilising. There is a balance in the overall demand and supply of professionals."

Attrition rate at TCS in-

creased marginally to 14.1% in July-September from 13.1% during the preceding April-June quarter. In case of Infosys, it went up from 15.8% to 17%.

Overall, the growth rate in attrition for the industry slowed down during the quarter compared to the preceding quarter.

Arup Sengupta, associate director, IT practice at recruitment firm Manpower, says, "Attrition has not increased significantly this quarter because in the preceding quarter, companies concentrated on lateral hiring. Since IT companies now have global delivery centres, they are sending their employees for onsite work, which is an influential retention strategy. However, attrition levels are expected to be flat in the next two quarters."

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