

US Talent Crunch Takes Midcap IT to Canada, Mexico

IN A TIGHT SPOT Tough immigration policy, coupled with high cost of local talent, is making it difficult for firms to find the right kind of people in the US

Priyanka.Sangani@timesgroup.com

Pune: Zensar Technologies plans to open a new delivery centre in Canada later this year to service the North America market. Over the next 12 months, the company plans to add about 100 people at this location, in addition to doubling the number of people at the centre in Mexico, which it opened last year, said CEO Sandeep Kishore. "We will hire more people in North America depending on client requirements on a project basis," he said.

With the US comprising 75% of the company's revenues, having a local presence is critical for Zensar Technologies, especial-

ly since clients are shifting from traditional to digital business. While the company has five centres in the US, the current immigration policy, coupled with the high cost of local talent, is making it increasingly difficult for companies to find the right kind of people locally. In this situation, hiring in the neighbouring Canada and Mexico is emerging as a viable option.

Hexaware called out the talent supp-



ly situation in the US as one of the key reasons for its low growth last year and said that using its presence in Mexico would be one of the key prongs in its strategy to combat it. "We already had a centre there, but now we've increased the headcount to 600 people and are using it as a talent base for our US needs," said Hexaware CEO R Srikrishna.

Having local talent in these markets makes it easier to move people to the US if needed. For instance, the equivalent of the H-1B visa, the TN visa is cheaper and quicker to process, and has no annual quota.

In the past five years, rejection rates for H-1B visas from India have gone up from low single digits to 40% for some of the larger IT firms. ET recently reported that more Indian soft-

ware professionals were turning to Canada owing to its favourable immigration policy.

NIIT Technologies already has a presence in Canada through a centre that came into its fold through the acquisition of Incessant Technologies three years ago. "We are using this to service our clients in Canada and will look at it for clients in North East America, mainly in the insurance sector," said NIIT Technologies CEO Sudhir Singh. "We'll add more people as and when the need arises."

Privately-held Cybage set up a centre in Toronto, Canada, last year. "From the visa standpoint, the policy for Canada is simpler compared to North America, making it more feasible," said Amit Gajwani, executive VP, sales and business at Cybage.