

IT's back to business as hiring, hikes return

Mini Joseph Tejaswi & Sujit John | TNN

Six months ago, Indian IT looked like it was staring into a long, dark tunnel—one that might take at least a year to get out of. Today, however, there's already a hint of a light at the other end.

Information infrastructure company EMC has just announced that it will invest \$1.5 billion in India over the next five years, a level of investment from a single company that the sector has not seen in close to two years.

Manpower supply company TeamLease that saw its open positions drop dramatically from 10,000 a month to 800 post the Wall Street crash, has in the past two months seen those numbers rise to 3,500. Wipro has lifted its freeze on hikes and promotions, at least for some employees.

Partha Iyengar, regional research di-

rector in Gartner India, says the number of calls the company gets from customers for directions and consulting has gone up sharply in the last 3-4 months, "indicating that a large number of IT deals will hit the pipeline in the next two quarters".

The Indian IT industry was one of the worst hit by the recession on account of its almost complete dependence on international markets—especially the US and Europe. The freeze on IT budgets by companies around the world meant that new orders dried up. Industry association Nasscom initially forecast that IT exports would grow by 22-24% in 2008-09, but as the recession deepened, this was revised down to 16%. For this fiscal, the association has projected a mere 4-7% growth to \$48-50 billion.

But optimism is making a tentative return. "That phase of drastic down-



turn is behind us," says S Ramadorai, CEO of Tata Consultancy Services, India's biggest IT company. "There's stability now. The deal pipeline is encouraging, but the time it takes to close a deal remains long. And many customers are yet to fully open up their IT budgets."

Ashok Reddy, MD of TeamLease Services, says employee rationalisation measures have tapered off. "Hiring is slowly returning, more so in the temporary hiring space," he says. The badly hit banking and finance vertical now accounts for a quarter of TeamLease's open positions. Sachi Gerlitz, CEO of IT services firm Ness Technologies, remains cautious though: "Things have improved quite a bit, but nobody has a crystal ball. Everyone is sending mixed signals. But whatever it may be, enterprises should continue to invest, to reap the benefit when markets start looking up."