

Hiring season is back in Indian IT Services firms

PRADEESH CHANDRAN @Bengaluru

THE IT industry, which had seen a large number of layoffs and a few headcount additions in the last couple of years, is slowly witnessing a turnaround. The latest numbers of net employee additions by leading IT Services players have gone up significantly in the second quarter of the current financial year.

For example, leading Indian IT companies like TCS, Infosys, Wipro, HCL Technologies, Cognizant and Mindtree put together have collectively made a net addition of over 37,792 people for the September quarter (Q2FY19). As per the numbers published by some of these players, the net employee addition for the first quarter of the current fiscal was about 16,547 people. This turns to be more than 50 per cent lower than the net addition made in the July-September quarter.

The net addition number of Infosys and Wipro was 7,834 and 10,687 respectively, which was far higher than that during the same period last year. TCS alone had made a net addition of 10,227 people in Q2FY19 — the highest by it in the last 12 quarters.

“From a people and talent perspective, we have added 10,227 employees this quarter on a net basis, a substantial part of that number made up of local hires. The highest net addition that we have done in the last 12 quarters,” said a TCS official. Apart from this, the company had also announced plans for hiring 28,000 people via campus placements.

According to industry ana-



lysts, one of the major reasons for the increase in employee addition is primarily the revival in major business verticals like Banking, Financial Services, Insurance business and also retail. For Indian IT exporters like TCS, Infosys and HCL Technologies, banking is the major revenue generator. Apart from the revival of the BFSI segment, the growing digital deals have also triggered the need for the demand for skilled employees.

Other reasons include increase in the number of local hires by the companies in major markets like the US and the UK as part of their strategy to become less visa-dependent, as well as large deal wins.

Infosys, the country's second largest IT exporter, had won deals worth \$2 billion in the second quarter. TCS reported large deals, including both new deals and renewals, pegged at about \$4.9 billion in TCV for Q2FY19. Mid-tier players like Tech Mahindra and Mindtree also saw good deal wins during the period.

India's third largest IT services company Wipro said over 60 per cent of its employee base in the US are locals. The Bengaluru-based company had added about 10,687 people in the third quarter,

which includes people who joined the company when it acquired the India arm of US-based Alight.

At the current growth rate and market conditions, the companies are optimistic about employee additions and expect to increase their employee strength.

“In terms of hiring, normally we do not specify the number of people we typically hire, but from an overall perspective, we have seen good momentum in this quarter and it has been broad-based both across verticals as well as geographies. We expect the momentum to continue in the coming quarters,” said U B Pravin Rao, COO, Infosys.

“We may have the usual seasonality challenges in Q3, but otherwise, by and large across the majority of the verticals, we expect the volume to continue. So, we expect to see an uptick in the number of recruitments,” Rao added.

The HR experts also feel that the hiring in the IT services would continue, but will be for niche skills. They also feel that during the fresh campus recruitments, the companies will look for high skills and the entry-level salary for such employees would be different from other fresh recruits.

“With high skill required from freshers, the companies are ready to pay fat salaries for such candidates. What we are seeing today is that there are two different salary packages offered for fresh recruits by the companies based on their skill sets,” said Kris Lakshmikanth, Managing Director, Head Hunters India.