

IT hiring down 35% in September quarter

Wipro sees biggest fall in recruitment; attrition also down

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Hiring by the top four IT companies – Cognizant, TCS, Infosys and Wipro – plummeted 35 per cent in the September quarter compared with the same quarter last year.

The four companies collectively hired 24,094 employees (net) in the September quarter as against 37,065 in the same quarter last year, according to a report compiled by Kotak Institutional Equities.

While Cognizant bucked the trend with an increase in hiring, the other three saw a decline. Wipro saw the biggest drop among the top four IT recruiters.

The hiring slowdown comes amidst an overall slowdown in the IT sector even as business models shift towards digital and automation.

"A few large clients, especially in the financial services vertical, are either shifting software development and maintenance work to their own captive centres or insourcing work that is considered as a strategic priority. It is natural for such changes during large technology shifts. Bunching up of such decisions by different banks and companies has impacted growth," said the report.

Attrition down

Another major reason for the decline in hiring is lower attrition rates, which have meant lower replacement hiring.

For instance, TCS's attrition

Hiring by top 4

	Sept 2016 quarter	Sept 2015 quarter
TCS	9,440	10,685
Cognizant	11,500	11,300
Infosys	2,779	8,473
Wipro	375	6,607

Source: company data

in the September 2016 quarter was down to 11.9 per cent as against 16.2 per cent in the same quarter last year.

Utilisation rates have similarly improved, with Infosys reporting 77.7 per cent utilisation this quarter compared with 75.4 per cent in the same quarter last year.

Tech Mahindra's utilisation rates similarly went up to 78 per cent this quarter from 77 per cent last year.

"Our delivery and support teams executed well on their plans for resource management during the quarter, leading to an uptick in utilisation," said UB Pravin Rao, Chief Operating Officer, Infosys, in a press release.

Debashis Chatterjee, President, Global Delivery and Next Generation IT Solutions, Cognizant, said hiring is done keeping in mind the evolving client demand.

"The market opportunity has never been greater. Our pipeline continues to be strong, and we continue to hire in areas that require new or different skill sets to position us for evolving client demand. We track hiring closely and manage headcount over the longer term to ensure that we have the appropriate workforce to meet evolving client demand," Chatterjee said.