

Fresher hiring target intact for top IT firms

This, despite employee attrition of companies hitting a decade low

SAI ISHWAR
Mumbai, 23 October

Top Indian IT services firms Tata Consultancy Services, Infosys, and HCL Technologies have kept the fresher hiring targets intact for fiscal 2021 and FY22 despite their employee attrition level hitting the lowest levels since the global financial crisis.

This is mainly because of anticipation of better growth and rising demand for skills in emerging areas such as Cloud, digital, and data analytics.

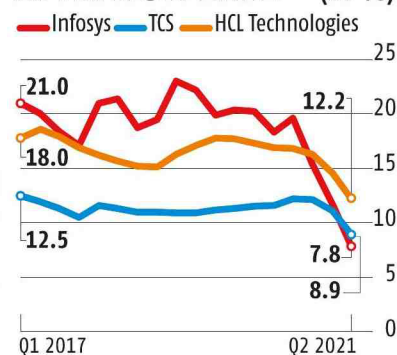
India's third-largest IT services company HCL Tech has said it will onboard 9,000 campus hires in the second half of FY21 to get close to its target of around 10,000-12,000 freshers. The company expects this figure to be around 1,000-2,000 more for the next year as it anticipates growth on a higher base. "Growth has come back. We have posted 4.5 per cent (sequential) revenue growth while our guidance is unchanged for the remaining quarters (of FY21) on a larger base. So the growth necessitates the hiring for us," said V V Apparao, chief human resource officer, HCL Technologies.

"Our focus on fresher induction is high given that they come in with certain advantages as they do not have an unlearning process as seen in senior employees. We are also seeing more deals wins and ramp-ups unfolding."

Last twelve months (LTM) attrition rate typically refers to the percentage of the overall workforce who have left the



ATTRITION RATE (in %)



*Infosys has reported only IT attrition nos from Q1FY20
Source: Companies

organisation in the past year. While the metric for TCS climbed down to its lowest of 8.9 per cent, it was 12.2 per cent for HCL Tech. Infosys, which has been facing the issue of higher voluntary attrition rate for the past few years, declined from 11.8 per cent to 7.8 per cent on a sequential basis.

"The opportunities are low in IT companies compared to pre-Covid-19 levels. Also, employees feel that freshers may be first in line in the case of potential layoffs and hence don't want to rock the boat with existing employers and take a plunge elsewhere," said Aditya Narayan Mishra, director and chief executive officer at CIEL HR Services.

"The attrition will climb up in the fourth quarter this year and will reach pre-Covid 19 levels by June quarter next year," he said.

TCS said freshers had played a key part in the company's growth over the years and the campus hiring numbers would remain "more or less unchanged" compared to past years. If required, the company might tweak lateral hiring (hir-

ing of people with prior experience) numbers based on business demand and that gap would be filled through internal replacements in a balanced way.

"Campus hiring is one of the key elements of the strategies to our growth for many years now. I don't see that number (of campus hires) significantly changing for the fiscal year 2021. The volumes in terms of trainee hiring will continue," Milind Lakkad, chief HR officer at TCS told *Business Standard* in a recent interview.

"Our attrition has been the industry benchmark, and it has reduced further due to the pandemic. Adjustments, if any, will be made based on business demand and lateral hiring."

IT companies also expect more digitisation and Cloud transformation projects from second and third-rung legacy insurance and retail companies over the next 12 months while some of the IT infrastructure work may be permanently moved to India for cost reasons, said Mishra of CIEL HR Services.