

IT firms may go slow on hiring

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Hiring of fresh engineering graduates from college campuses by IT services companies is likely to see a decline owing to uncertainties arising out of global spread of coronavirus.

According to experts in human resources (HR), even joining of new graduates is likely to be staggered as companies are expected to onboard staffers after gauging the demand scenario.

“We anticipate delay in joining dates for the freshers holding offer letters. Dishonouring letters of appointment may also happen if the user industries in the US and Europe continue to reel under the impact of the virus for the next eight weeks,” said Aditya Narayan Mishra, chief executive officer of staffing firm CIEL HR Services.

He said hiring of engineering graduates might fall by 20-30 per cent if the virus was not contained in the next few weeks.

DEMAND SLOWDOWN EFFECT

■ Joining of freshers may be staggered depending on demand environment

■ Fresher hiring in 2020 is likely to come down by 30% if situation in the US and Europe linger

■ Hiring was robust last year in anticipation of improving demand

■ Job interviews to absorb lateral hires are being deferred owing to spread of coronavirus

In anticipation of demand, the top four IT firms of India added more than 50,000 freshers last year. Hiring of fresh graduates is also part of the initiative of most firms to rightsize their employee pyramid, which has become mid-level employee-heavy in recent years. Among IT firms, market leader Tata Consultancy

Services (TCS) has added around 30,000 fresh graduates in this financial year. The company’s management has said it will increase this number to 39,000 in the next financial year (FY21).

While Infosys has made 18,000 offers this financial year, Wipro has said it will onboard around 20,000 fresh graduates.

“Joining of fresh graduates is likely to be staggered now as companies are expected to turn cautious due to likely demand slowdown. So, it can happen over batches,” said Pareekh Jain, an IT outsourcing advisor and founder of Pareekh Consulting.

“The real impact will be on hiring for next year (2021), which will depend on the demand outlook amid spread of coronavirus.”

The IT industry is staring at a demand slowdown as many developed countries, including the US, have started to shut down establishments for imposing social distancing to fight the spread of virus. As a result, the companies are already witnessing delay in winning large deals, with reports suggesting that deal signings worth around \$3-4 billion have been deferred in this month alone.

While fresher hiring hinges on the demand outlook, even job interviews for lateral hiring is getting delayed as companies are not able to conduct face-to-face interviews.