

# Foreign IT firms ramp up India hiring to cut costs

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**T**OP MNC tech firms such as IBM, Accenture and Cap Gemini are stepping up hiring in India, at a time when their Indian rivals plan to slow hiring new staff in order to cope with a lower demand of software services in the top markets of the US and Europe.

While European IT major Atos Origin plans to double its workforce in India from the existing 3,300 to 6,000 by 2010, Accenture has already announced that it would be increasing its India headcount from around 37,000 professionals currently to almost 50,000 within one year.

Captive organisations of large enterprises in the US and the UK are seeking to increase their offshore teams in order to lower their operational costs. Tesco, the world's second biggest retailer, plans to add few hundred more professionals to its existing team of around 3,000 employees at its Bangalore centre.

"We want this centre to become the engineering hub for us, and there is a lot of scope for scale expansion," Tesco director (operations and information technology) Mike McNamara told **ET** earlier this month. The retailer saves around \$60 million every year by outsourcing to India.

Captives such as Tesco are hiring professionals with specialised skills, opening newer avenues for experienced professionals working at Indian software companies.

Indian tech biggies, on the other hand, continue to see attrition rates of anywhere between 11-13%, and even more, as their MNC rivals along with captive organisations of large customers continue to attract professionals with niche skills



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- **Captive organisations** of large companies in the US and UK are seeking to expand their offshore teams to lower operational costs
- **Indian tech biggies** continue to see attrition rates of anywhere between 11-13%
- **Captives** are attracting professionals with specialised skills and domain knowledge

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"Our attrition rate is still around 11%, which is not significantly down," said Wipro executive VP (HR) Pratik Kumar. "We find that smaller captives operating in niche areas, apart from MNCs, are still hiring," he added.

"Today, openings in the IT industry are more to do with specific skills and for professionals who are with 5-7 years' experience," said Stanton Chase International principal consultant GC Jayaprakash.