

IT industry may miss hiring target for FY10

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Nasscom, the trade body for India's IT and BPO sector that is in the process of reworking the growth figures for the industry post the Satyam fallout and a slowdown in the global economy, has plans to revisit its members' hiring numbers.

"Nasscom is reworking the employment numbers for the industry and it will be lower than the expected target of 2.5-3 million. But that does not mean there will be no hiring. The second half of FY09 has certainly been very difficult for companies across sectors. Every company is looking at reducing cost. It is obvious that demand for new talent has gone down, as earlier firms would hire in anticipation," Sangeeta Gupta, vice-president, Nasscom, told *Business Standard*.

PANIC BUTTON



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- TCS) has put a freeze on its lateral hiring

The Nasscom Strategic Review 2008 predicted that by 2010 the IT-BPO sector would have employed about 2.5-3 million professionals directly. However, the figure would be much lower as IT firms have either reduced their hiring or plan to freeze their recruitment numbers in the next financial year.

For instance, Infosys, one of the top three companies, has already announced it would not make any fresh hirings other than the offers that it has committed for the FY10. Similarly, another leading company Tata Consultancy Services (TCS) has put a freeze on its lateral hiring and will take a final call on the future numbers only next month. Wipro's third quarter hiring numbers, too, have already showed a de-growth.

However, analysts feel that in the short-term, the impact would not be too severe as campus hiring is done in advance. For instance, the top three IT firms will be hiring over 52,500 for FY2010 as they have stated they would honour commitments.

However, E Balaji, CEO of management consultancy Ma Foi Management, feels that

more than the hiring numbers what needs to be known is what is the time when these students join the company. "We get a sense that students from the 2008 batch are yet to be inducted by firms. In many cases, they have not even been indicated a joining date," he adds.

"While it is good to hear that these major IT firms will honour the commitment, it is obvious that there will be an extra pool of people in the industry," says Rohit Ramani, director, EmmayHR Services. Gupta feels that it is time that students, institutes as well as organisations look inwards. "Students and academics should try and increase their skills in such conditions."

Moreover, HR consultants also feel that hiring among the BPO outfits will also taper down in the coming quarters. "While it is true that BPOs have completely stopped hiring, the good news is that hiring among the captives have gone up. With a need to cut cost, many of the captive units have stepped up their hiring. On sequential basis, captive hiring has gone up by approximately 20 per cent," adds Ramani.