

Foreign IT firms set to add 40,000 employees in India, says AEP

The Indian IT professionals shall remain in demand despite US slowdown and rupee appreciation pulling down the revenue growth, thanks to the global software firms expanding their employee capacity in India.

In the last three months, foreign IT firms have announced their plans of hiring 40,000 people in India within next two years, as revealed by an Assocham Eco Pulse Study. This would be a significant development for the job market as the shrinking margins had dimmed the hiring outlook of the Indian IT majors.

The foreign firms planning the intake of 40,000 as announced during January to April 2008, as against the headcount increase of mere 4400 declared by the Indian software companies. Information Technology, which is one of the highest employment generating segments in the services sector, has been feeling the pressure of increased value of Rupee against dollar, rising wage inflation and the slowdown in US economy.

“At the time when the Indian firms seem to be curtailing the wage hikes and right-size the staff strength to prevent the squeezing margins, the robust headcount expansion plans of the foreign IT companies renders a positive outlook to the job market”, said Mr. Venugopal N Dhoot, President, Assocham.

The Indian growth story seems to be intact for these global software service providers, most of which are set to ramp up their operations in India. The largest headcount expansion activity has been planned by US based Computer Sciences Corporation (CSC). The company has announced the headcount addition of 16500 in the next two years.

The second largest announcement for headcount increase was made by the global BPO giant Cognizant, which plans to raise its Indian staff by 14,700 this year. The UK based Zylog Systems has drawn the hiring plans of more than 4000 employees.

Xansa, a UK based technology firm, has announced its plans of to double the headcount in its India operations from 5200 to 10,000 in three years.

Ness Technologies, an Israel based firm, has announced the recruitment of 1000 people this year to its present staff of 2800. Another firm, VMware Inc, plans to raise its engineering staff to more than 1000 people in the next two years.

Among the Indian firms disclosing their hiring plans, Satyam Computer Services, one of the top IT firms, stated the addition of 3000 employees in the year 2008.

The cities which have been tapped most for the IT expansion were Mumbai, Pune, Hyderabad, Delhi and Chennai.

Top foreign IT companies

Company	Origin	Headcount expansion
CSC	US	16500
Cognizant	US	14700
Zylog Systems	UK	4000
Xansa	France	2500