

ASSOCHAM PLACEMENT PATTERN

**“IT, financial services to retain top employer status,
consultancies joining the race”**

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IT, financial services to retain top employer status, consultancies joining the race: ASSOCHAM

IT and financial services would continue to retain the top employer status even with slowing domestic and international economy, as evident from the headcount expansion plans announced by the companies among various sectors in preceding seven months.

In the last seven months of the calendar year 2008, companies in IT and financial services have announced their recruitment plans of 1 lakh and 6500 personnel, respectively, as revealed by an Assocham Placement Pattern (APP) Study. Consultancy firms followed announcing an addition of around 13,000 employees.

During the period of the study, 28 companies had announced to hire around 2, 00,000 people within next two years,

Despite the global slowdown and companies cutting cost by reducing number of staffs the Information Technology (IT) sector remains the highest employment offering segments announcing an intake of 1, 09,050 employees in next two-three years in India. There were as many as 13 companies contributing a share of 55.5 per cent in the overall hiring plans announced during January to July 2008.

“The headcount expansion plans of the IT companies render a positive outlook for the sector as computer services will remain robust with global competition making technology spending imperative”, said Mr.Sajjan Jindal, President, Assocham.

Sectors with hiring plans			
Sectors	Total no. of employment announced	No. of companies	Share (in %)
IT	109050	13	55.58
Financial Services	65800	7	33.54
Consultancy	13250	2	6.75

Source: Company announcements, January-July 2008.

The IT growth story seems to be intact with most of the IT firms set to expand and diversify their operations across India contributing 55.5 per cent in the total hiring announcements. Among the firms the largest headcount expansion activity has been

planned by the Indian major Tata Consultancy Services (TCS). The company has announced the headcount addition of 30,000 in 2008-09. It was followed by Accenture and Wipro technologies Ltd that are looking to add 28,000 and 17,500 employees respectively from India in the current financial year, with the view of expansion plans.

Few other IT firms planning to recruit Indian staff include Cognizant (14,700), Sutherland Global Services (10,000), Collabera (3000), Sapient, Ness Technologies and Ambletek Symphony Services plans to hire 1000 employees respectively among others.

The financial services sector carved second position with seven firms planning to hire 65,800 employees, contributing 33.5 per cent in headcount for next few years' announced during the seven month period. The calls for largest hiring plans were from the 10 Public Sector Units (PSUs) banks stating to add as many as 53,000 staff in next few years. The government banks are going for expansion activities to support growth in banking industry as they feeling the increase challenge, in need of personnel from marketing, information technology experts and law officers. SBI alone plans to hire 3,000 employees on contractual basis as marketing and recovery officers for its rural operations in 2008.

Among others, the private sector and international financial players such as ICICI Bank (7500) and Standard Chartered (3000) are planning to expand their business in India while Norwich Union Insurance (1800) is planning to set up its base in the sub continent under a transformation programme.

The international advisory and consultancy firms that have already set their base in India are now looking for expansion plans with Deloitte and KPMG announcing their hiring plans during Jan-July 2008 with recruitment of almost 5,280 and 5,000 Indian employees respectively in next two years contributing a share of 6.7 per cent in the total hiring announcements during the period. The growing demand of consulting services is forcing the firms to increase their hiring of trained professionals.