

INDIA INC LIFTS JOB MARKET

By **Devesh Chandra Srivastava**
In New Delhi

WHILE the rest of world marks the first anniversary of the collapse of iconic Wall Street firm Lehman Brothers — widely seen as the trigger for the global financial meltdown which followed — with gloomy audits of the havoc wreaked by recession, India Inc is celebrating it differently.

Shaking off its slowdown-induced chill, corporate India is recovering its appetite for growth. And the talent needed to drive it.

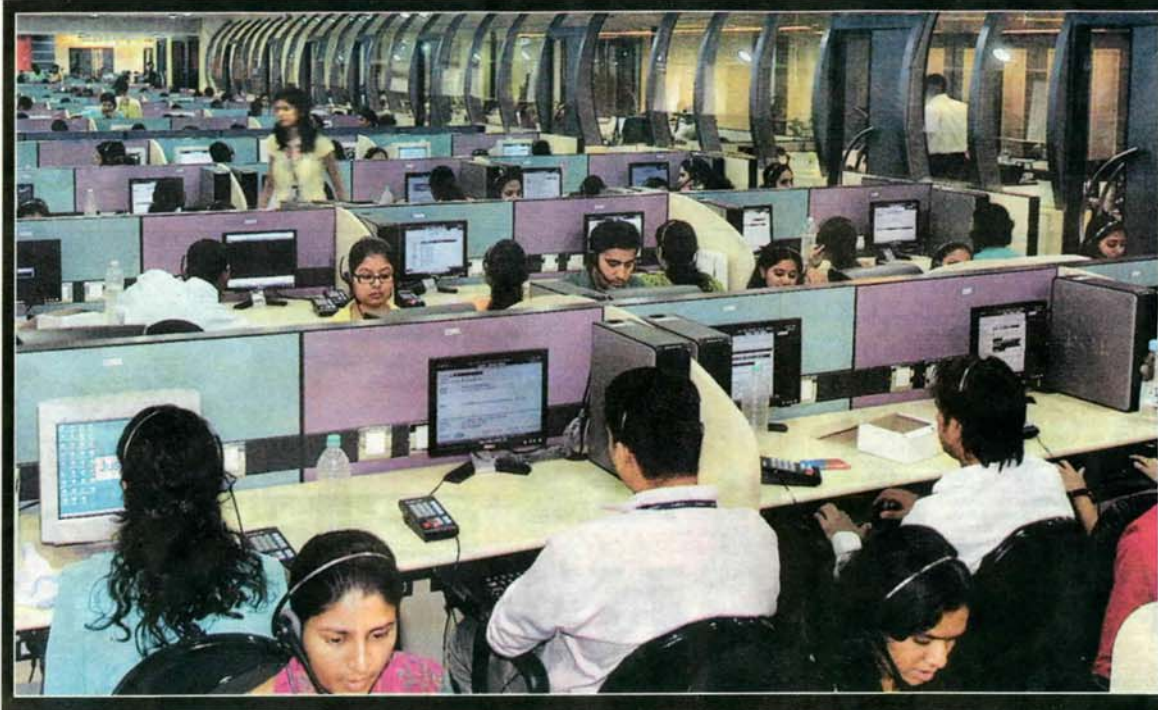
Jobs are back.

From consumer goods to retail, infrastructure to automobiles, employers are once again scouting for staff.

Consider this: According to apex industry body Assocham, in the National Capital Region alone, employers were adding more than 400 new jobs every day. That is 49,750 jobs at different levels between April and July this year alone. The outlook for fresh hires is even more positive.

India's largest job portal, Naukri.com, said India Inc's hiring activity picked up 8 per cent in June and a further 1.3 per cent in July.

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In its survey on hiring trends, based on polls of over 5,000 employers spread across the country, the outlook for jobs has improved across the board, with IT, real estate, financial services, fast food and retail sectors leading the pack.

According to a quarterly survey by global recruitment firm Antal International, the percentage of companies in India hiring professionals and managers is up 51 per cent, after a dramatic fall to 29 per cent at the beginning of 2009. As a result, job prospects for professionals and managers in India are now better than the global average, the survey said.

Hiring outlook for the next three months also looks promising, with as many as 66 per cent Indian companies expecting to recruit.

Even the downside is looking better—job cuts are expected to drop to 21 per cent over the next quarter. “Two-thirds of the businesses we spoke to are in the process of hiring for the next quarter,” Antal International India managing partner Joseph Devasia told FTI.

“Many retail majors had shut down a number of stores during the peak meltdown period, so the number of people working there had gone down,” said Kris Lakshminanth, founder-CEO and MD of the Bangalore-based HR firm, Head-Hunters India. “Now they plan to restore them, and job opportunities are expected to grow.”

With the revival of the stock markets, strong performance of the banking sector and major reforms in insurance, the banking and financial services (BFS) sector is red hot. Services (BFS) sector is red hot. According to Naukri.com, hiring in this sector grew 22 per cent in June. A nationwide survey by Edelweiss Securities said 80 per cent of the recruiting agencies expected hiring to grow in BFS.

Big retail is also leading the charge. After a sharp cutback in opening new malls and supermarkets last year, most players are dusting off expansion plans.

Job cuts expected to drop in next quarter

That's good news for jobseekers in Tier 2 and Tier 3 cities, where much of the growth will happen.

Spencer's Retail, Big Bazaar and Reliance Retail have plans to enter micro-markets by setting up outlets in different formats. A Spencer's spokesperson said, “We are planning to launch 10 to 12 large format stores and an equal number of small format stores. This would mean an additional manpower requirement of approximately 800 by the end of March 2010 in operations, merchandising, marketing and front-end.”

Some sectors, like consumer durables, never really experienced a slowdown. On the contrary, most companies reported 15-25 per cent growth over the last year.

Electronic goods and home appliances manufacturers have not only added capacity, but are also strengthening their sales and service infrastructure.

Y.B. Verma, director of human resources and manager (services),

FIRMS ON THE MANHUNT AS SLUMP EASES



Retail is one of the main sectors creating job opportunities.

LG Electronics India Limited, said, “We would be recruiting around 800 people in blue-colored jobs across mobile phones, sales and marketing spaces.”

Electronic goods major Samsung has been hiring for three months in the mobile, notebooks, PCs and air-conditioners segments along with corporate marketing functions, according to the company's official spokesperson. The next step? Recruitment in the B2B (Business to Business) space in the next three months.

FMCG companies such as Reckitt Benckiser (makers of Dettol, Mortein and Harpic) have hiring plans too. Chandar Mohan Sethi, chairman and managing director, said, “India is the largest developing market for the company. We would definitely be hir-

ing this year to increase our sales and marketing force.” Its current strength is around 1,000 people across various operations.

Food proved to be another recession-proof industry, with most organised players clocking record growth. According to a

Organised sector is growing faster

recent Technopak-CII survey, the \$6 billion (Rs 30,000 crore) Indian restaurant sector is expected to become a \$10 billion (Rs 50,000 crore) industry by 2018. Despite the slowdown, the organised sector is growing faster than the unorganised segment at a rate of up to 25 per cent for the next couple

of years.

Organised service chains such as Domino's India, Pizza Hut, Barista, KFC, Costa Coffee, Café Coffee Day, McDonald's and Nirula's have major expansion plans. Domino's Pizza India CEO, Ajay Kaul, said, “We will employ around 1,500-1,800 people every year in the next three to four years. The recession has helped us to retain people and hire more.”

FICCI's economic adviser Anjan Roy said India never experienced a recession. “We had a slowdown that is receding somewhat now.” He pointed out that the Business Confidence Survey clearly showed that the Indian economy was going to see big growth in the next six months, so hiring activity would also increase. “The positive outlook is going to be seen across all sectors,” he said.

Fashion, eyewear and apparel retail firms have expansion plans too. For instance, watch brands such as Fossil and Timex plan to hire extra manpower for their new stores. It would be too early to signal the return of the India growth story, though. Export-dependent sectors such as textiles, gems and jewellery and components, have witnessed a massive fall in business and have had huge job cuts.

Sajan Jindal, chairman, Assocham, said: “Sectors such as steel, cement and construction are hiring. Other sectors such as real estate, civil aviation, petrol and power have not yet picked up momentum.”

By Max Martin in Bangalore

■ THE technical writing lead for a multinational company in Bangalore, H. Chowdhury, 30, has been getting invites from big-time rival firms

■ Shalini Kumar, 28, an out-of-job BPO worker says she got her first call this week after a gap of three months

■ Meanwhile, 24/7 Customer is hiring 500 employees for Guatemala and 100 for its Bangalore and Hyderabad centres

IS THE job scene in the infotech and BPO sector looking up after the slowdown? Bits of anecdotal evidence suggests so.

However, industry watchers say it is too early to say anything, at least till the end of this fiscal—that is March 2010.

Top CEOs have said the situation will remain problematic until the middle of the next calendar year. But there are early signs of a revival.

The slowdown did have a serious impact on the human resource scenario as hiring became slower and those recruited from campuses had to sit on the bench, awaiting projects. On the positive

SLOWLY BUT SURELY

49,750

job openings in National Capital Region in various sectors from April-July

The Indian job market is emerging from recession in style as companies in a broad range of sectors chart out large-scale expansion plans

HIRING

DURABLES



Samsung has already been hiring for three months in mobile, notebook, PC and air-conditioning segments. Haier, Videocon, Nikon, Fujifilm and Canon are also expanding

RETAIL



Several major chains, such as Spencer's Retail, Big Bazaar and Reliance Retail, plan to set up outlets in different formats — particularly in smaller cities — and hire manpower

FOOD



Service chains such as Domino's India, Pizza Hut, Barista, KFC, Costa Coffee, Café Coffee Day, McDonald's and Nirula's have already finalised major expansion plans

FASHION



Multinationals associated with cosmetics, eyewear and apparel retail also have expansion plans, which include opening new stores and expanding their workforce

ALSO HIRING

Steel, cement, infrastructure, automobiles, FMCG

YET TO PICK UP

Civil aviation, petrol, power



NEXT THREE MONTHS

A survey of 35 countries says Indian workers have the best chance of getting jobs from October to December

GLOBAL NET EMPLOYMENT OUTLOOK FOR OCT-DEC

Indian firms are much more confident of hiring in the next few months than companies elsewhere

INDIA	34
BRAZIL	21
CHINA	11
AUSTRALIA	9
CANADA	4
UK	0
US	-2

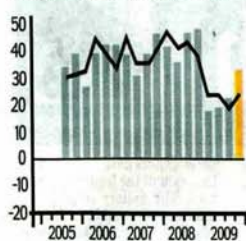
NET EMPLOYMENT OUTLOOK

It is the difference between the percentage of employers who expect an increase in head count in a certain period and those who expect a decrease.

In India, 36% employers hope to hire between October and December, while 2% believe their head count will go down. So the net employment outlook for India for this period is +34

RISE, FALL AND RISE AGAIN

After a sharp slump at the start of 2009, India's net employment outlook is again on the up



SECTOR-WISE EMPLOYMENT OUTLOOK



Global survey predicts more opportunities

By Kunal Doley in New Delhi

INDIAN employers are the most bullish about their hiring plans for the next three months, says a survey of 35 countries. The Employment Outlook Survey, released by the US-based Manpower Inc, shows Indian companies are more eager to expand their workforce than firms in the US, the UK, China and Brazil.

It is easily among the most optimistic forecasts for Indian job seekers, who have been under the shadow of the global economic downturn since the beginning of the year. The comprehensive survey covered 5,637 employers in 30 Indian cities. It claims a favourable hiring environment across a broad spectrum of sectors — from finance to insurance, real estate, services, wholesale and retail trade, public administration and education, mining and construction.

Human resource consultants closer home point out it's the retail business that is most bullish. The renewed push for hiring, according to Lakshminathan, reflects the positive view employers now have of the economy. "It depends on the sentiments in corporate boardrooms and the stock market," he says. "Even sectors like real estate, which were affected because of the meltdown during the peak period, are now recruiting and hiring."

The September Business Confidence Survey of the Federation of Indian Chambers of Commerce and Industry (FICCI) is equally sanguine. It reports that 60 per cent of the 372 companies contacted said the performance of their respective sectors had been far better than in the past six months.

It also said 80 per cent of the companies believe the economy was on the road to recovery and expect improvements in growth in the coming months.

The sentiment at the leading jobs portal, Naukri.com, isn't very different. "Real estate, infotech and retail were the first sectors to witness a recovery in job opportunities," said Sumeet Singh, national head,

Survey covered 5,637 companies across 30 cities of India

marketing and corporate communications, of the portal's holding company, Info Edge.

But there is a catch. Companies are hiring to fill up positions that became vacant because of retrenchments in the past few months. "One of the main reasons behind this upswing is that many companies are going for replacement hiring. So, it's not necessarily true that new jobs are being created."

"Indian employers have absorbed the lay-offs in the last quarter and are telling us they will resume hiring again at a conservative pace," said Naresh Malhan, the managing director of Manpower India. "Most intend to keep their workforce intact through the end of the year."

According to the Manpower survey, banking and insurance are driving this bullish trend in hiring. V. Raghunathan, the president of ING Vysya and managing director of GMR Group, explained: "None of the insurance companies was making enough money until some time ago. New players were entering the sector and most of them were in their gestation period. I'd say, the industry is now close to bearing fruit and hence the upswing in hiring activity."

With the meltdown now appearing like a spectre from the past, many construction projects awaiting take off have restarted and are also contributing to the improving job scenario. "Along with real estate, related industries such as steel and cement will also see a lot of hiring in the near future," said Yogesh Verma, the group president of Jindal IIT.

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Smiles return on the faces of techies



Companies are keener on hiring juniors rather than seniors.

Logging in to new employment avenues

- The job scene is looking up in the information technology and business process outsourcing sector
- Attrition rates have dropped as economy improves
- Some firms have hired double the number of workers in July-September quarter compared to April-June
- Business picks up in the October-December quarter, and companies have some big bids in the pipeline
- Although the upward trend is still not comparable with last year, firms may hire the same number or even more than 2008-09 before the financial year ends

side, attrition rates have dropped.

"Still, in a projected growth rate of 4-7 per cent, the industry will need some amount of hiring," said Sangeetha Gupta, vice-president of the industry umbrella body Nasscom.

"What we see are early signs,"

she added, "though it is not as widespread as it was during September 2007 or 2008."

Figures indicate that hiring in the last quarter was about 50 per cent compared to the previous year's corresponding period. For example, in the quarter ending June 30, Infosys

had a gross addition of just 3,538 employees as against the addition of 7,182 employees for the same period last year.

However, the available data before the closing of this quarter suggests an upward trend. For instance, software firm GlobalLogic hired about 150

personnel this quarter, almost double the number hired in the second quarter (April-June). But it is still less when compared to the addition of 250 employees for the corresponding quarter last year.

"However, for the current year as a whole, the company might

hire the same number as the previous year, or even more," said IIT Kumar, vice-president, people development. "The third quarter is generally when business picks up and we have some really big bids in the pipeline."

The scenario is starting to look positive, with jobless techies getting new invites and BPOs announcing fresh hiring.

"This sure is happening," said brand consultant Harish Bijoor. "More so in the BPO space as there is a semblance of revival. Benches are still thin if non-existent. New projects are attracting new resumes."

Bijoor qualifies his optimism by adding that there is a tendency to look for juniors rather than mid-level employees for all work levels.

Others point out that BPOs did not actually suffer as much as the tech sector. And all the people hired may not be from or for India — they could be for offshore work elsewhere.

There are enough reasons to cheer, though.

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