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Global economic woes to slowdown hiring in India Inc

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Indian firms cautious on hiring in the face of the weakening global scenario.

India may have weathered the global economic slowdown well, escaping relatively unscathed till now, but **recruitment firms** expect India Inc to hit the brakes and go slow on hiring in the face of the weakening global scenario.

"Keeping the global economic scenario in mind **companies are certainly cautious**. This does not mean that India Inc will stop hiring but they will certainly cut their hiring numbers and will not

go for aggressive hiring," Sunil Goel, director at GlobalHunt India, an executive recruitment firm, told *Mail Today*.

"The slowdown in hiring will continue till January-February and this will be decisive for the companies to draw their future roadmap. Till then they will go slow. As they have learnt from the last slowdown, they will try to go for talent optimisation and will not go overboard with their hiring targets," Goel said.

He added that hiring in companies, which are directly linked to the global markets, such as exports, will suffer most. However, hiring will remain robust in sectors, such as healthcare.

According to the latest report by global recruitment firm Ma Foi Randstad, India Inc had expected to create 16 lakh jobs in 2011. About 7.04 lakh jobs have already been created in the first six months of the year and another 3.46 lakh jobs were created during the July-September period.

However, with companies looking to add only 3.26 lakh jobs in the last quarter of this calendar year, a shortfall of around 2.3 lakh jobs is expected compared to the earlier estimates.

"At the start of the year, companies were bullish about hiring. But economic uncertainty has led to a deceleration from Q3 (third quarter) numbers to Q4 (fourth quarter) projections and, hence, a gap in overall hiring numbers," said E. Balaji, managing director (MD) and chief executive officer (CEO), Ma Foi Randstad. "Overall, 2011 will be an average year - neither a blockbuster year like 2005 nor a gloomy one like 2009," he added.

On a positive note, recruiting firms assure that the situation will not be as bad as in the year 2008, when most of the companies took recourse to pruning staff numbers or imposing a hiring freeze.

"The global economic slump led by the US and parts of Europe is likely to take a toll on Indian industries insofar as hiring is concerned," said Rajesh Kumar, CEO of MyHiringClub.com, adding that the situation would not be as bad as it was in 2008-09 during the global economic crisis.

Hiring firms also added that firms stand to gain as the attrition numbers will come down.

"The year 2010-11 was very good Overall, 2011 will be an average year - neither a blockbuster year like 2005 nor a gloomy one like 2009 - E. Balaji, MD & CEO, Ma Foi Randstad in terms of hiring. However, the level of attrition was also very high. As there was a talent war, executives used to have multiple offers in hands. However, the condition is not the same," Goel said. He said that lower increments and a prevailing cautious attitude would also contribute to fewer job switchovers.

"Even executives are cautious in switching jobs, learning from the experience of the last slowdown. Also, the increments on new jobs are to the tune of 15-25 per cent as against 40-60 per cent last year," Goel added.

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