

HOT JOBS FOR YOU THIS SUMMER



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YOU can, practically, see the sun coming out from behind the clouds. After two years of uncertainty and doubt, the pall of gloom that hung over the Indian economy like a bad omen, is expected to lift this financial year. With

prospects of a new stable government in place, finally after much storm and dust, the outlook is, happily, cheery.

What's the best barometre to judge overall positive market sentiment? Why, the job market of course. Riding at the back of this feel good factor, leading recruitment agencies believe 2014 will

fetch much better dividends than 2013.

Hitesh Oberoi, managing director and chief executive officer of Info Edge (India), promoter of Naukri.com, said the job market continues to get better every month. Post elections, the recovery could become broader with a stable government at the

helm. For instance, online application and demand for jobs expanded in 11 out of the 13 occupation groups monitored by Naukri, during April. There has been a dramatic improvement in demand for senior management, (up 51 per cent) professionals having charted successive contraction in annual demand from

January 2013 until January 2014, Oberoi said. Online recruitment activity exceeded the year-ago level in 16 of the 27 industry sectors monitored by the Naukri Index.

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tion segment is still an upward curve," points out a happy Moorthy K Uppaluri, chief executive officer of Randstad India. Why? "The segment is still seriously under-invested. While there is a huge demand for educational offerings, there is also a huge gap in the kind of talent required and what is available. We expect hiring in the sector to grow between 1 per cent and 2 per cent this year."

The percentage increase may seem lower but the base is huge in this segment. India Ratings maintains a stable assessment for the sector, no surprise, given the number of growing enrolments in the K-12 segment and the gradual expansion of the higher education segment. The agency believes India's young demographic profile would continue to benefit the sector even as protracted infrastructure upgrades and regulatory issues delay timely benefits.

The University Grants Commission (UGC), the statutory body charged with coordination, determination and maintenance of standards of university education, states that India's higher education system is the third largest in the world, next only to China and the US. While India aspires to become a knowledge hub, its low quality education and inadequate educational infrastructure plague growth and are obstacles to attain desired results. Consequently, the government is now focusing on quality and excellence in higher education. India's literacy rate improved to 74 per cent in 2011 from 64.8 per cent in 2001, according to the Census of India 2011.

The quality of human resources is one of the major bottlenecks for sustained high economic growth in the medium to long term. India Ratings expects the education sector's market size to reach Rs 5,90,112 crore by FY15, up from Rs 3,32,877 crore in FY12.

Healthcare & pharma
India's healthcare system is developing rapidly and continues to expand its coverage, services and expenditure in the public as well as private sectors. This is creating a large market for hospital information sys-



Sectors hiring outlook for 2014

Sector	% over the previous year
BFSI	8-10
Education, training & consultancy	1-2
Energy	3-4
Healthcare	7-9
Hospitality	3-5
IT & ITeS	10-12
Manufacturing - machinery & equipment	3-5
Media and entertainment	8-9
Pharma	12-14
Real estate and construction	10-13
Trade including consumer, retail & services	7-10
Transport, storage, and communication	2-3

Sectors that pay well (expected in 2014)

Sector	% over the previous year
BFSI	10-12
Pharma & healthcare	10-14
IT & ITeS	10-12
FMCG	8-10
Manufacturing - automobile and engineering	7-10

Source: Randstad India

tems and other healthcare-related IT solutions.

Healthcare providers in India are expected to spend \$1.08 billion on IT products and services in 2014, a 4 per cent increase over 2013, according to Gartner. It is expected to reach \$276 million in 2014, up from \$266 million in 2013 — with the consulting segment growing by 8 per cent.

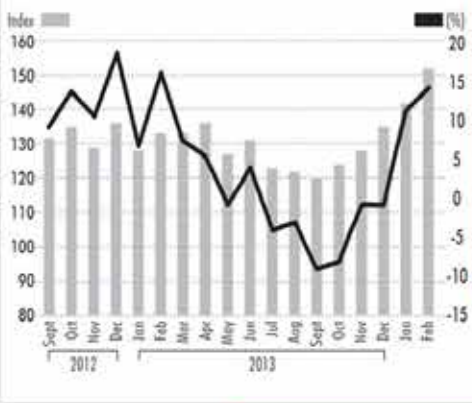
According to the India Brand Equity Foundation, the domestic healthcare sector is poised to touch \$100 billion by 2015 and \$275.6 billion by 2020. Last year, healthcare and life sciences emerged as the second favourite destination for venture capital after technology, attracting 27 investments worth \$181 million, says Venture Intelligence.

The hospital and diagnostics centre businesses in India received foreign direct investment (FDI) worth \$2.1 billion, while drugs and pharmaceutical and medical and surgical appliances industry registered FDI worth \$11 billion and \$741 million respectively, during April 2000 to December 2013, according to data provided by department of industrial policy and promotion (DIPP).

While hiring in healthcare is expected to grow between 7 and 9 per cent, in pharma it is poised to improve by about 12 and 14 per cent. The rupee contin-

Monster employment index

The chart shows the growth in employment from September 2012 to February this year



ues to favour the pharma industry, which is expected to be one of the larger exporters this financial year. Salary increases in the two industries are expected to be in the range of 10 per cent to 14 per cent.

Banking & insurance

Landing a bank job is an aspiration nurtured by most Indian graduates. A survey conducted by training company TalentSprint has revealed over 78 per cent of the 1,200 respondents in the age group of 20 to 30 in India see banking as the dream job. More than half of them were engineering graduates. Over 80 per cent of the women respondents too wanted a banking job.

This industry has caught the aspiration of the labour force like no other. Job security and high growth are the major drivers.

Rapid credit and branch expansion has led to massive growth over the past 10 years, the likes of which have never been seen in this country, believes S Ganesh of Dun & Bradstreet, Technologies and Data Services. With the help of technology, banking is now becoming affordable for the masses. More and more people are being brought into the organised financial sector and there is an ever-increasing demand for talent.

Similarly, the underpenetrated insurance sector seems to be extremely

desirous for talent. According to the Naukri Index, the sector had the highest growth in terms of hiring month-on-month. The index moved up by 24 per cent in April 2014, compared to March the same year.

The BFSI vertical is expected to add about 8 to 10 per cent more jobs in 2014 with salary increases ranging from 10 to 12 per cent.

Manufacturing

According to Monster, the long-term growth momentum in production and manufacturing (up 5 per cent) sector eased 26 percentage points between March and April. The sector, nevertheless, recorded a positive annual growth for the fourth month in succession. In the related logistics, courier/freight/transportation sector, online recruitment stabilised at the year-ago level following incessant decline since July 2013. Randstad expects the segment to hire 3 to 5 per cent more candidates this year. Salary hikes are projected to be in the range of 7 to 10 per cent.

"Every year, over 12 million youth enter the workforce in India and there is a need to create an equal number of jobs to absorb this workforce. Hence, it becomes imperative for the government to focus on sec-

tors like manufacturing and infrastructure that will directly impact growth in the other sectors and will lead to creation of jobs. To sustain growth over a long period of time, it's imperative to address the widening skill gaps of the potential workforce. The manufacturing and infrastructure sectors are expected to create 30 to 40 million jobs over the next decade," predicts Uppaluri of Randstad.

Other major trends

Two significant shifts are seen in the hiring pattern in the staffing industry, which is causing considerable changes in the way talent is employed. A major shift in strategy is just-in-time hiring. Companies are no longer creating a pipeline of talent expecting future business. They plan ahead and work along with hiring agencies to recruit employees as and when they are required.

High-growth industries such as IT are constrained by strained profit margins; over 85 per cent of the cost in these sectors relate to people. Hiring based on demand is helping the companies to improve their profit lines as well as cash positions, Uppaluri added.

Similarly, the talent crunch is making itself felt across industries. Companies are going beyond related educational qualification and experience to choose candidates. They have started conducting competency-based hiring irrespective of verticals.

High-growth sectors are in need of skilled workers who will fit into jobs with minimum training. Their talent pipelines have been shortened and they are now forced to look for employees in industries other than their own.

Slowing sectors are confronted with a different set of problems. They can't spend as much money on talent and opt to hire candidates with relevant skills from other sectors. "Earlier, this used to happen only in support functions such as legal and HR. Now, employers are resorting to functions such as sales from other industries to bring in employees with varied competencies and rich domain experience," Uppaluri said. He should know.



SUMMER OF '14

Leading recruitment agencies believe 2014 will fetch much better dividends than 2013

from P1

Several key sectors have contributed to this belief. India Ratings and Research, a Fitch group company, expects gross domestic product for financial year 2014-15 to improve to 5.6 per cent mainly on the back of a partial recovery in industrial and services sectors. Industrial growth is estimated to improve to 4.1 per cent this financial year helped by rural consumption and export demands.

Exports are likely to continue to grow through this period due to an economic recovery, though still somewhat fragile, in the US and the euro zone. Hence, the prospects of industries such as IT/ITeS and pharma look positively brighter in 2014-15.

It would appear that many other things too are falling into place. Rural demand is likely to remain strong in view of the robust growth last year and expected stable growth in the agricultural sector this

financial year. A stable agricultural growth and partial industrial recovery is likely to pitch service sector growth at 6.9 per cent. The manufacturing industry stands to gain because of this recovery and hence, is expected to add more jobs. Healthcare and education are the other two upbeat sectors where demand has only been going up through the past several years.

According to the Institute of Human Development, the overall population-to-labour force ratio (in the age group of 15 years and above) is pegged at 56 per cent. About 92 per cent of the force is employed in the unorganised sector, while the rest 8 per cent comprises the formal job market in India. But it is a little upward or downward trend in this meager portion of the total workforce, which impacts the economy at large.

According to Randstad, overall hiring this year is expected to be between 10 and 12 per cent higher

than last year.

Financial Chronicle presents the five sectors that are the most optimistic in terms of hiring during this financial year — in no particular order. The information was culled from recruitment agencies including Randstad, Naukri and Monster. Each organisation has its own methodology, metrics and classification of industries. We have grouped and ungrouped the sectors and numbers wherever necessary to come to a neutral and meaningful conclusion.

IT/ITeS

Most IT majors believe financial year 2014-15 will lead them on the growth path owing to partial recovery in the target markets. Improvement in client budgets and discretionary spending has also paved the way for better growth this year.

As per industry body Nasscom's strategic review for 2013, the industry aggre-

gated revenue of about \$108 billion and employed close to 30 lakh people. It accounts for almost 25 per cent of the total exports and 11 per cent of the entire service revenue. The sector is expected to hire about 10 to 12 per cent more professionals this year.

N Chandrasekaran, chief executive officer and managing director of TCS, said that the company expects better things in FY15 as compared to FY14. According to him, during the Q1 earnings call, TCS found itself in a favourable position in terms of client outlook, order book, deal pipeline, improving discretionary spend and the company's ability to execute projects. The company's gross hiring target for this financial year is a healthy 55,000.

Almost all rating agencies maintain a stable outlook for the IT sector. Most companies have stable credit profiles, low debt levels and cash-rich balance sheets, which would help them to fare well this year. Though

margins would remain under pressure due to wage inflation, the IT sector, overall, is expected to put up a good performance in FY15. The industry is expected to increase salaries by about 10 to 12 per cent this year.

Education

The education sector is of those evergreen fields where the sun never sets — growth has been on an upward trajectory over the past several years. Mass expansion in the K-12 (kindergarten to twelfth) segment and gradual increase in the higher education segment is believed to keep the industry in good stead for many years to come.

Apart from the mainstream, training, coaching and tutoring are other segments that are witnessing good days. Education captures the aspirations of the masses and in a developing country like India parents go out of their way to educate their children.

"Growth in the educa-

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