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Present
HIRING
OUTLOOK
In India and the future of work

The rise of the optimum work
model in times of change

A note from our CEO

In an attempt to understand how Covid-19 impacted hiring, we had conducted a market study last year. The survey which received responses from over 100 decision makers in the Human Resources/Talent Acquisition functions, spread across the major cities in India and various industry verticals, had found out that employers were expecting hiring to resume after January 2021.

A few months into 2021 got us thinking about the present hiring outlook of employers in India. We did a follow-up study to gather market insights about the present hiring trends and the evolving work model. The study witnessed participation from over 80 leaders in Human Resources and Talent Acquisition, and more than 1,600 employees from different organisations. We present this market report as a reflection of the current talent acquisition and work culture in India.

I, on behalf of Careernet, would like to thank leaders of organisations and working professionals who participated in the study. As India's leading talent solutions provider, we believe this report will provide useful industry insights to the HR community.

Stay safe, Stay healthy!

Anshuman Das
Co-founder and CEO,
Careernet

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Employers, across companies, industries, and cities in India are focused on employee engagement and retention.

- About 84% of the employers is actively hiring, while only 6% has not restarted hiring yet.

- 61% of large enterprises anticipate to fill more than 500 positions, 45% of mid-sized companies expect to fill between 100 and 500 positions and 61% of small businesses forecasts to fill less than 50 positions in the year 2021.

- 3 out of 4 employers consider functional skills to be extremely important while assessing candidates and around 70% of organisations are seeking tech-based domain skills for their current openings.

- Communication skills tops the list of soft skills as rated by 80% of the organizations. Whereas the second highest demanded soft skill this year is interpersonal skills.

- Approximately half of the organizations are planning to virtually hire from colleges and universities for less than 50 positions this year, while only 3% is anticipating 501+ positions to fill in.

- For 1 in 3 organisations, the employee attrition rate is either at an all time high, or higher than the previous quarter or at par with the previous quarter. 22% of the employers stated that their employee attrition rate is at an all-time low.

- 80% of employees is considering a job change this year.

- Nearly half of the organizations are considering hiring employees on contract and/or freelance this year. 2 out of 3 candidates do not prefer contract/freelance jobs.

- About 67% of the organizations is anticipating a combination of work-from-home and work-from-office after the pandemic passes by. Whereas only 3% wants to go for a complete remote working model. 25% of employers expects 1-10% of their employees to operate remotely when offices completely reopen.

- The 2 major challenges faced by the HR function at present are employee retention and engagement.

- The measures organisations are taking to address the issue of employee attrition is through work-life balance monitoring and offering rewards and growth opportunities.
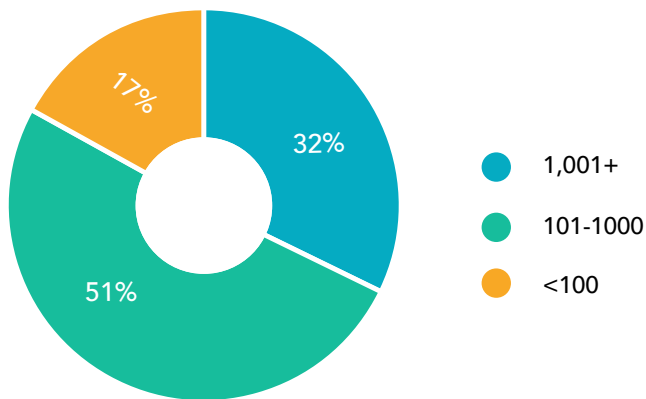
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Methodology

Survey Outreach:

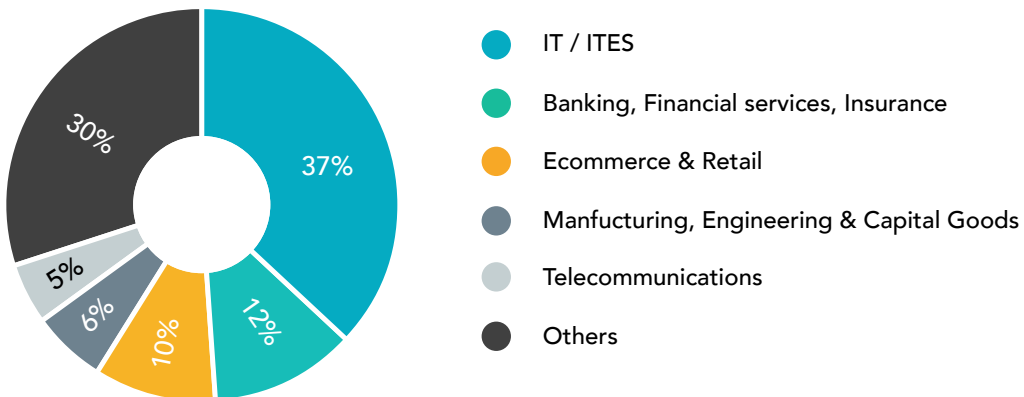Digital surveys and opinion polls

Participants:

80+ HR/TA decision makers and 1,600+ employees from major cities in India and various industry verticals.

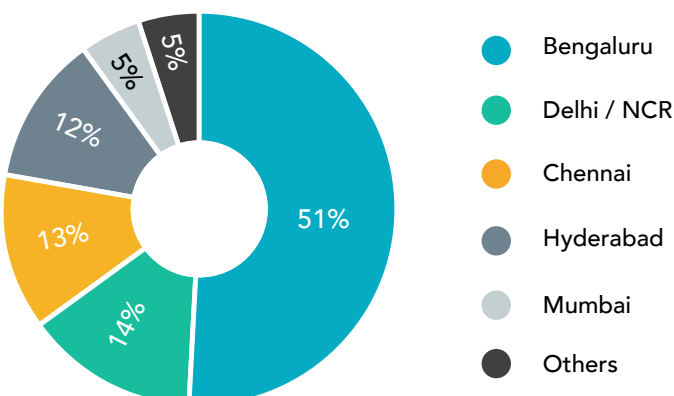## Demographics: participating employers

➤ Employee strength:

- 🔵 1,001+
- 🟢 101-1000
- 🟠 <100

32%
51%
17%

➤ Industry verticals:

- 🔵 IT / ITES
- 🟢 Banking, Financial services, Insurance
- 🟠 Ecommerce & Retail
- ⚫ Manfucturing, Engineering & Capital Goods
- ⚪ Telecommunications
- ⚫ Others

37%
12%
10%
6%
5%
30%

➤ City:

- 🔵 Bengaluru
- 🟢 Delhi / NCR
- 🟠 Chennai
- ⚫ Hyderabad
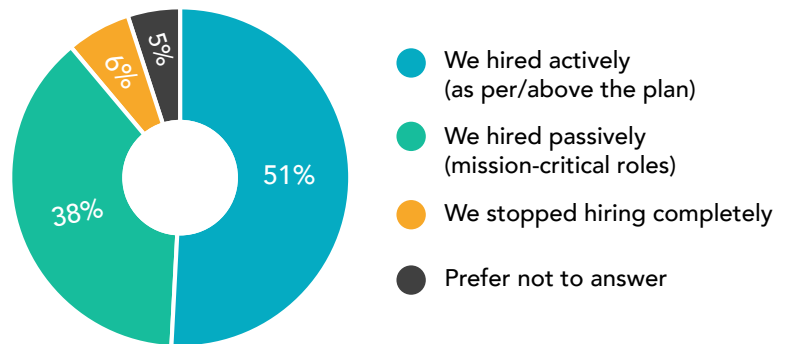- ⚪ Mumbai
- ⚫ Others

51%
14%
13%
12%
5%
5%

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The impact of COVID-19 on hiring last year

In 2020, over half of the employers hired actively as per or above their plan, without pausing their recruitment plans. This contradicts the perception that companies had stopped hiring as the pandemic set in.

Companies with an employee size of 501-1,000 and 5,001+ did not pause their hiring at all, with 100% of the participants stating that they either hired actively or did it passively.

Companies in IT/ITES, eCommerce, and Banking exhibited a higher hiring momentum as compared with companies in the other sectors. Employers in Real Estate, and Hospitality reduced their hiring volumes significantly.

5%
6%
38%
51%

● We hired actively
(as per/above the plan)

● We hired passively
(mission-critical roles)

● We stopped hiring completely

● Prefer not to answer

Present hiring trends

8 out of 10 employers stated that they're actively hiring now. Only 6% of organisations hasn't restarted their hiring yet. Hyderabad is emerging as the top city of employment with 100% of respondents saying that they're actively hiring. Among the top cities, in Bangalore, 80% of employers are actively hiring and 5% has not restarted their hiring yet.

All the industry verticals exhibit a positive hiring outlook where a large majority of employers stated that they are actively hiring. Employers in Education & Training, Real Estate and a few of them in IT/ITES stated slowness in hiring.

6%
10%
84%

● We're actively hiring

● We're passively hiring
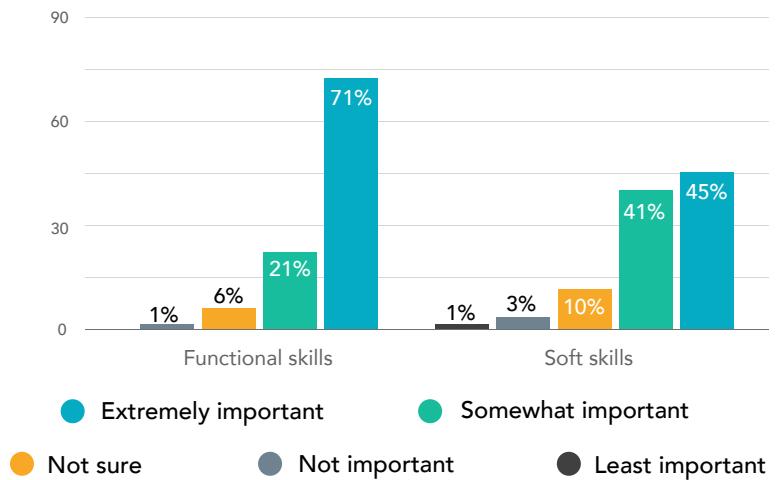
● We haven't restarted hiring yet

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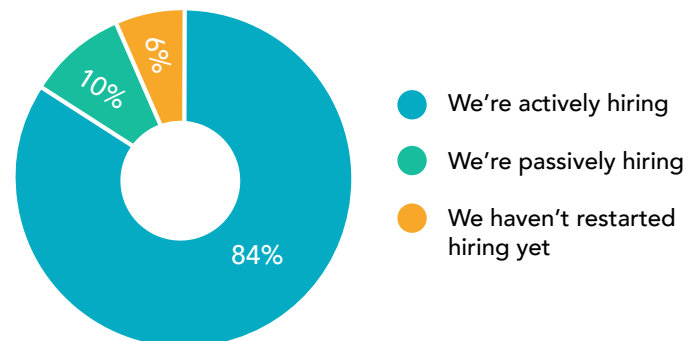
Hiring outlook for 2021

More than half of the organisations plans to hire up to 100 positions in this year. 61% of large enterprises anticipate to fill more than 500 positions, 45% of mid-sized companies expect to fill between 100 and 500 positions and 61% of small businesses forecasts to fill less than 50 positions in the year 2021. Employers in Automobiles, Banking, eCommerce, Insurance & Financial Services, and IT sectors expect their hiring numbers to be higher as compared with those in other sectors.

- 38% — <50
- 16% — 51-100
- 21% — 101-500
- 12% — 501-1,000
- 6% — Not sure
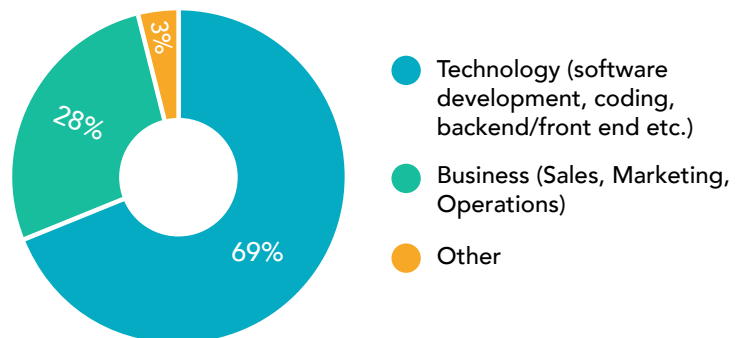- 4% — Prefer not to answer
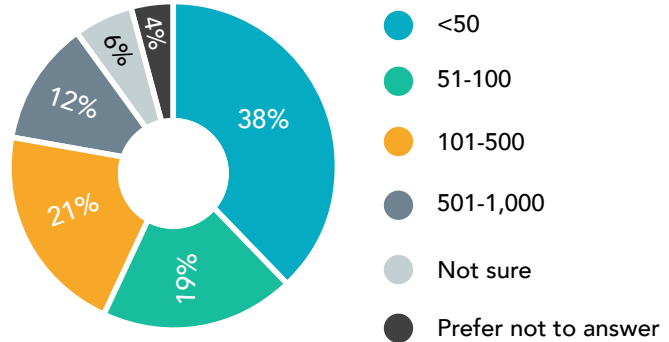
Functional or soft skills: what matters the most now?

The now-widely-accepted work from home culture has instigated the significance of functional skills over soft skills while evaluating candidates. While 3 out of 4 employers consider functional skills to be extremely important, less than a half of them consider soft skills to be extremely important.


Functional skills: 1%, 6%, 21%, 71%
Soft skills: 1%, 3%, 10%, 41%, 45%

- Extremely important
- Somewhat important
- Not sure
- Not important
- Least important

Functional domain skills in demand

Across industry verticals, there's a high demand for technology-based talent. The rapid adoption of digitization by companies and growing consumption of technology amid the pandemic are leading to increase in the demand for coders, programmers, and software developers.

- 69% — Technology (software development, coding, backend/front end etc.)
- 28% — Business (Sales, Marketing, Operations)
- 3% — Other

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Soft skills in demand

2 out of 3 employers look for candidates with good communication skills and 1 out of 2 of them rate interpersonal skills on top while assessing candidates. Other soft skills that came in the top 6 in the present work-from-home scenario are self-discipline, multi-tasking, time management and work-life balance.
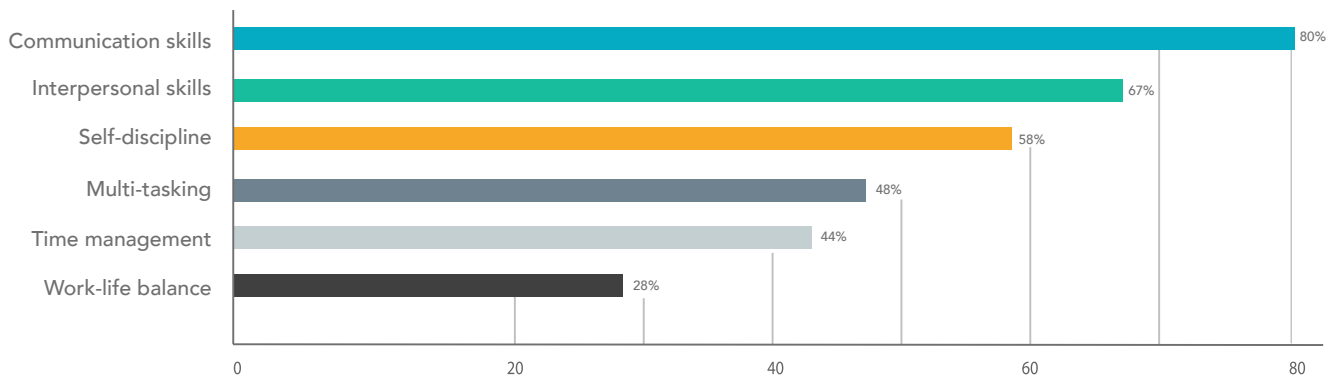

College / University hiring

Close to half of the organizations are planning to hire from colleges / universities this year.

While 43% of small companies (up to 500 employees) are not planning to hire from campuses this year, 59% of mid-sized companies (501-5,000 employees) and 64% of the large enterprises (5,001+ employees) are planning to recruit campus talent. 16% of small companies, 18% of mid-sized ones and 36% of the large enterprises are not sure about campus hiring this year.
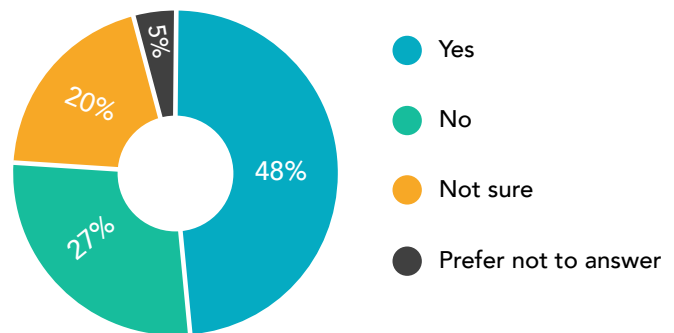

Among the organisations that plan to hire from campuses this year, 47% anticipate hiring for less than 50 positions while 12% put their forecasts between 51 and 100 positions. About 1 in 4 of them are either not sure or preferred not to comment on the anticipated number of hires from campuses.
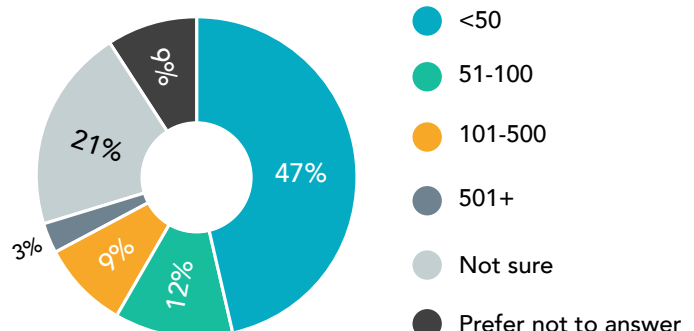
Sectors that are going to lead campus hiring this year are IT/ITES, Banking, Pharmaceuticals, and Banking.

Employee attrition

1 in 4 employers is witnessing their employee attrition rate to be either at an all-time high or higher than the quarter ended in Dec '20. One in three organisations is experiencing either the same employee attritions as that of the quarter ended in Dec '20 or higher than that. At the same time, 1 in 5 employers say that their attrition rate is at an all-time low.
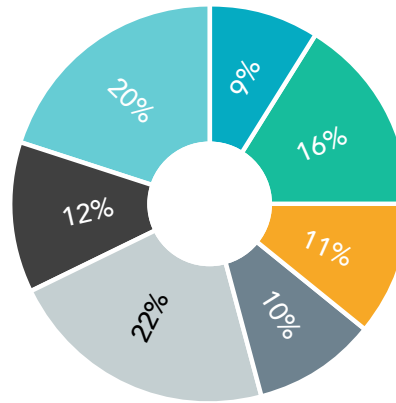
- Our attrition rate is at an all-time high
- Our attrition rate is higher than the previous quarter (Oct-Dec)
- Our attrition is as same as the previous quarter (Oct-Dec)
- Our attrition is lower than the previous quarter (Oct-Dec)
- Our attrition rate is at an all-time low
- Yet to assess
- Prefer not to answer

Employees considering job change in 2021

It appears that organisations across industry verticals have started witnessing a higher employee retention rate, or are going to do so, as the data from employees suggest*. 8 out of 10 employees across the country are considering changing their jobs in this year while 1 out of 10 is not thinking about it and the remaining aren't sure about a job change.
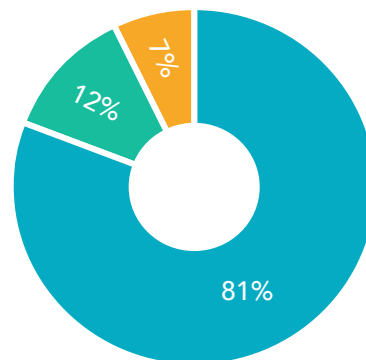

- Yes
- No
- Maybe

Companies are implementing different solutions to ensure employee retention, some of the common initiatives across employers include the following:

- ➤ Redefining the rewards and recognition policies
- ➤ Virtual employee engagement with regular internal communication
- ➤ Revisiting the employee compensation and benefits policies
- ➤ Focus on training, learning and development and intra-org growth opportunities
- ➤ Monitoring work-life balance

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## Focus on hiring employees on contract and/or freelance

A little less than half of the employers in India are looking to hire employees on contract and/or freelance this year. About 1/3rd of organisations is not considering contract and freelance positions.

Pie chart values: 47%, 32%, 17%, 4%
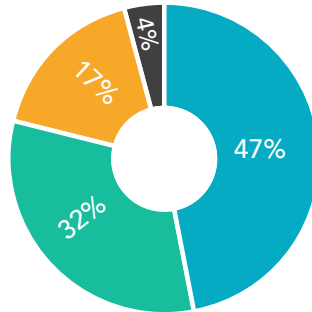
- Yes
- No
- Not sure
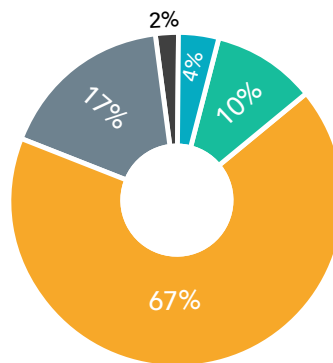- Prefer not to answer

Preference for jobs on contract/freelance

While employers consider hiring employees on contract or freelance, candidates prioritise full-time jobs over contract and freelance job roles*. 65% of candidates do not prefer contract/freelance jobs, while 31% prefers it, as per the opinion survey:

Pie chart values: 31%, 65%, 4%
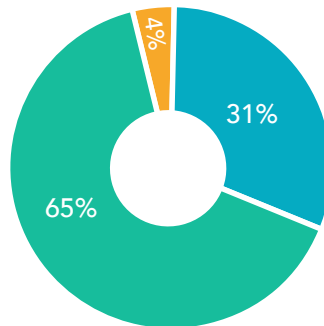
- Yes
- No
- Not sure

Future of work - evolving work model

After there is some respite from the pandemic, a hybrid work model, which is a combination of work-from-home and work-from-office, is what 2 out of 3 organisations in India are expecting. While close to 20% companies is either unsure of or did not prefer to comment on it, only 10% of them believes that the future of work is going to be completely operations from office.

Pie chart values: 2%, 4%, 10%, 67%, 17%

- Completely remote working model
- Completely operating from office
- A combination of work from home and work from office
- Not sure/ yet to decide
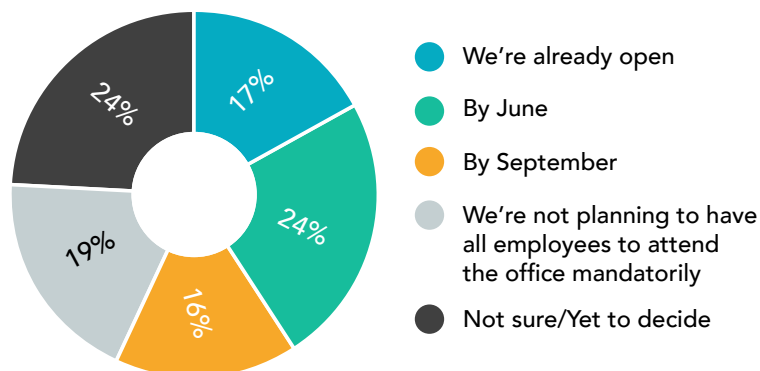- Prefer not to answer

Employers on remote work

After there are good reasons for offices to reopen, 1 in 4 organisations expects up to 25% of their employees to work remotely. 1 in 3 organisations expects a quarter to 3/4th of their employees to work remotely, while 1 in 4 organisations is unsure about it.

Pie chart values: 11%, 14%, 21%, 14%, 9%, 26%, 4%
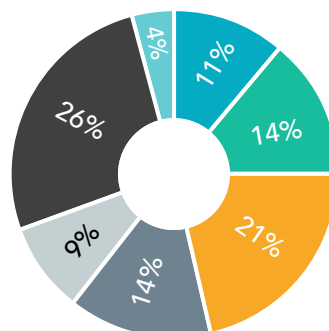
- 1-10%
- 11-25%
- 26-50%
- 51-75%
- 76-90%
- Not sure
- Prefer not to answer

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Resumption of work from office

With the news about the 2nd wave of covid-19 pandemic making the rounds across the country, reopening of offices completely, looks to be more distant. While 17% of participating organisations said that they were already open, 23% expects it to happen by June 2021(in the given scenario, this seems to be ruled out). Roughly 1 in 5 organisations are not considering all their employees to attend office mandatorily. While 16% respondents said they're expecting offices to reopen by September this year (this possibly, will be ruled out), 23% were unsure of the timeline.

Pie chart showing: 17%, 24%, 16%, 19%, 24%

Legend:
- We're already open
- By June
- By September
- We're not planning to have all employees to attend the office mandatorily
- Not sure/Yet to decide

Employees expectation about office reopening

On the other side, 42% of employees are unsure about when they can restart attending their offices. While 25% of employees stated that they've already started going to offices, another 26% expect offices to reopen by June 2021* (narrow to no scope post the announcement of the 2nd wave of the pandemic).

Pie chart showing: 7%, 42%, 26%, 25%

Legend:
- Not sure
- After June
- Already started
- Next month
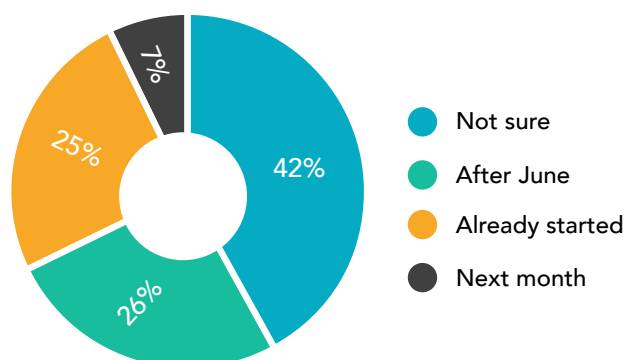
Major challenges in HR function

Besides hiring, the leaders in Human Resources and Talent Acquisition place the following as their major challenges within the HR function:

➤ Managing employee attrition

➤ Engaging with employees virtually in the remote working scenario

➤ Ensuring employees' productivity, wellness and mental health

➤ Increasing trend of offers getting declined

➤ Making sure of team bonding, employee motivation, and work-life balance

Resumption of hiring, evolving hybrid work model and uncertainty about reopening of offices

Hiring did not come to a complete halt during the times of the pandemic. Organizations were either hiring passively for mission-critical roles or hiring as per or above their plans. Hiring has resumed across sectors and cities. Companies in the IT and Technology sectors are leading the present hiring spree. Rapid adoption of digitization by organizations of all shapes and sizes are shooting the demand up for tech talent.

The future of work seems to be a hybrid model which is a combination of work from home and work from office. But since the 2nd wave of the pandemic in the country started, organizations don't expect their offices to reopen any soon. So, when the offices reopen fully functionally, employers do not expect all their employees to work from office either. 1/3rd of organizations expects between a quarter to 3/4th of their employees to work remotely even after their offices reopen.

In the ongoing remote work scenario, employers find employee attrition to be the top most challenge besides hiring. With a vast majority of employees considering a job change this year, attrition rates may go up in the coming months.

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Careernet is India's leading talent solutions provider. Founded in 1999, our mission is to shape the careers of talented professionals and scale the teams of organizations. We help companies hire the best talent by making their recruitment experience seamless with technology innovations. We offer a comprehensive suite of services for talent acquisition, some of the prominent ones being Recruitment Process Outsourcing, Talent Acquisition Strategy, Compensation Advisory, University Recruitment, Leadership Acquisition, Outplacement and Exit Management.

Careernet started its journey with focus on technology hiring and very soon had a campus recruitment offering encompassing all top technology schools in India. In 2004, the company incepted HirePro Consulting Pvt. Ltd. to its portfolio to provide dedicated solutions for automation, assessments and university hiring. Four years later, in 2008, the company incepted LONGHOUSE Consulting with the charter of building leadership talent ecosystem for the digital economy in India. LONGHOUSE helps organizations in different stages of their journey to find the best leaders and make them future-ready.

Today, we serve over 1,000 active clients across 3 business brands and have more than 1,500 employees with dedicated offices in 9 locations across the country.

Contact us at:

Careernet Technologies Pvt. Ltd.
Careernet Campus, Plot No. 53,
Kariyammana Agrahara Road,
Devarabisana Halli
(Next to Intel Junction Flyover),
Outer Ring Road,
Bangalore - 560103

sales@careernet.co.in
+91 - 80 - 66560000
+91 - 96637 23881
www.careernet.co.in
linkedin.com/company/careernet-consulting
facebook.com/careernetconsulting/
twitter.com/CareernetC