

Present hiring outlook in India

Impact of COVID-19 on hiring

July 2020

A note from our CEO



The past 3 months have brought a new wave of change in the way businesses operate. To understand the impact of the pandemic on hiring plans of organizations, we surveyed over 100 decision makers from the Human Resources/Talent Acquisition functions, spread across various industry verticals in major cities in India.

The survey received an encouraging response. I would like to thank everyone who participated in it.

I am happy to share this report with you. The study finds that more than half of the employers expect active hiring to resume after January 2021. This appears to be a 15-16-month cycle. By April 2021, the momentum should touch pre-Covid-19 levels, even though this would be at a lower base considering the downsizing over the last six months.

This year, campus hiring has already been deferred. We expect this to be more phased out and not concentrated on a few days. When the economic recovery begins, organizations will re-start their plans. Companies are embracing remote hiring to fulfill their hiring plans.

There are many such insights in this report, which I believe, will be extremely useful in our decision making.

Stay safe, stay healthy!

A handwritten signature in black ink that reads "Anshuman Das".

Anshuman Das
Co-founder and CEO,
Careernet Technologies

Active hiring to resume after January 2021, says more than half of the employers

Virtual hiring: The new normal for organizations across industries and cities

- ▶ Close to half of the organizations find that COVID-19 has a medium impact on their company and its business. 1 in 4 employers have low or no impact.
- ▶ 3 out of 4 employers are honouring offers that are rolled out and on-boarding employees.
- ▶ The hiring plans of companies are not completely paused. It is partially active for 57% of employers for the next 3 months and 56% feel that it will remain so for the subsequent 3 months. Organizations expect hiring to become fully active after January 2021. It is expected to take up to April 2021 for hiring to be at par with that of April 2020.
- ▶ 89% of companies are onboarding employees currently, using a combination of company-provided assets and employee's personal assets to enable them to work remotely.
- ▶ 1 in 5 organizations anticipates no change in their planned no. of positions to be filled in the next 1 year. More than half of the organizations (52%) said they expect a lower-than-originally-planned number of positions to be filled over the next 12 months.
- ▶ Close to half of the employers (48%) does not expect or plan for any change in their hiring strategy to move from more permanent to more contract roles. While 1 in 10 employers expects this shift, 1/3rd of them was not sure.
- ▶ On campus hiring, while 1/3rd of employers foresees no change in their original campus hiring plans, 36% of companies expects a decline in this year.
- ▶ The survey finds that organizations are embracing remote hiring. 3 out of 4 employers believe that they can effectively hire employees remotely.

COVID-19 has turned organizations to revamp their hiring strategies with the use of technology. Employers have started implementing both hiring and onboarding virtually. The expected revival of hiring is going to be through innovation-driven solutions that foster meaningful candidate engagement and efficient recruitment.

Survey demographics and methodology

▶ **Survey outreach:**

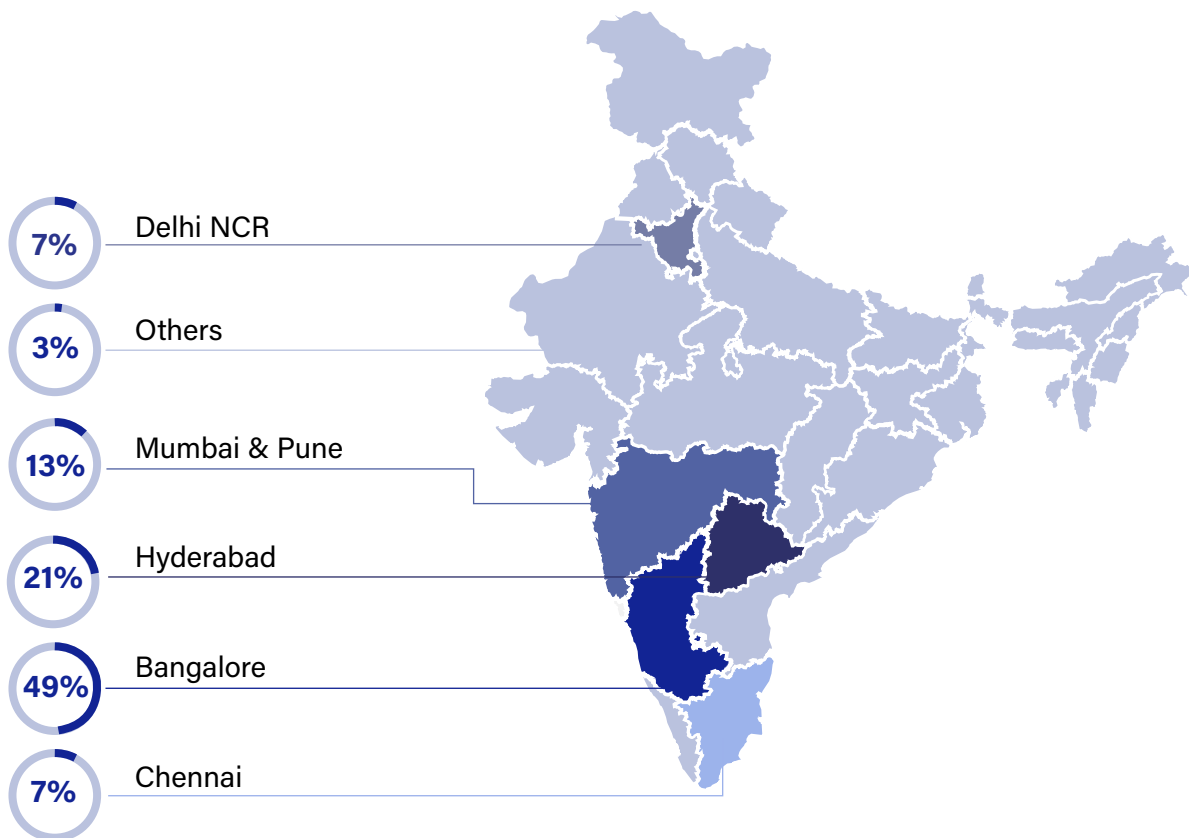
Digital survey.

▶ **Participants**

114 HR/TA decision makers from companies spread across major cities in India and various industry verticals.

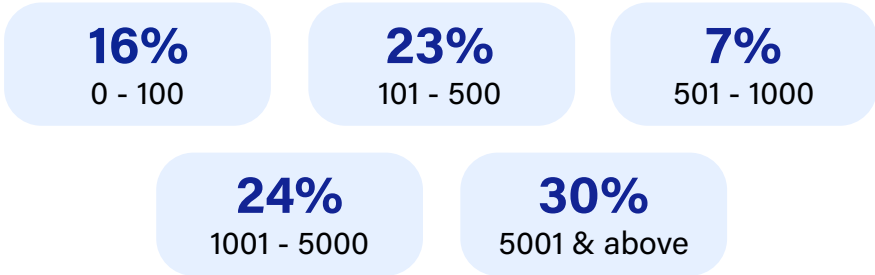
▶ **Demographics:**

City



Map for representational purpose only. Not to scale.

Employee strength

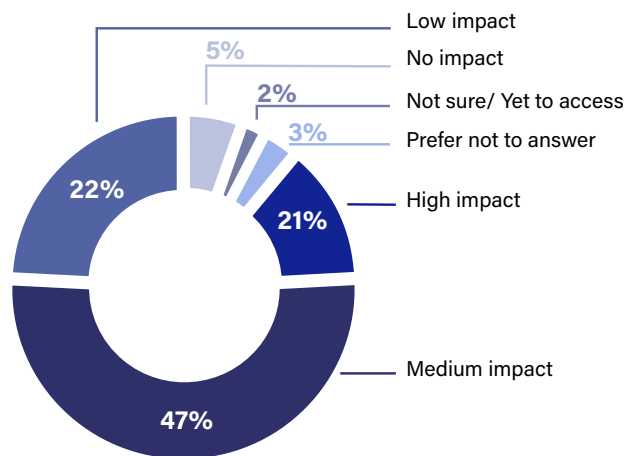


Impact of COVID-19 on hiring

The magnitude of impact on business

Nearly half the employers we surveyed faced a medium impact of the pandemic.

While 23% of mid-sized companies (501-5,000 employees) have seen a high impact, 27% of all companies have faced low or no impact. Sectors which recorded low impact include e-Commerce and FMCG.



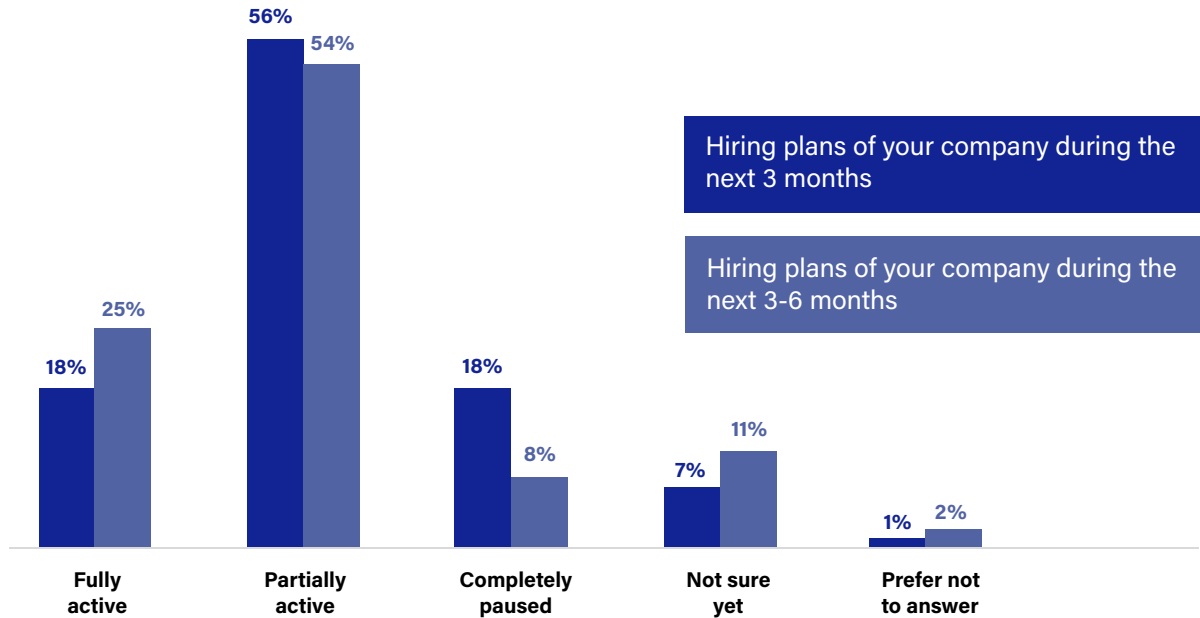
Approach towards open positions in the company

Employers are not revoking the offers that they have already rolled out. 3 out of 4 employers are honouring offers and on-boarding employees.

Employers who are deferring the on-boarding of new employees are not high, with just 14% doing so.



Hiring plans for Q2 (July-September) and Q3 (October-December)



The hiring plans of companies are not completely paused. It is going to be partially active during the Jul-Dec period. More than half of the employers have partially active hiring plans for the next 3 months. In Q3, it is expected to gradually open.

18% of organizations have fully active hiring plans for Q2 which jumps to 25% in Q3. Meanwhile, 18% companies that said their hiring is completely paused for Q2 gets reduced to 8% in Q3.

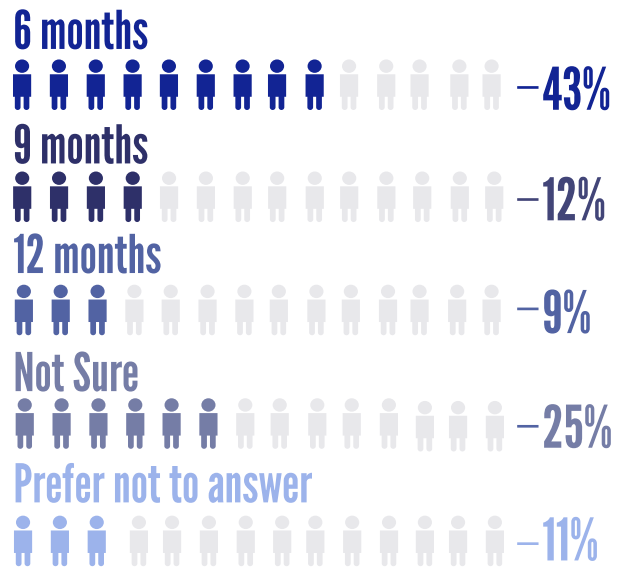
Among the top 3 industries in terms of participation in the survey,

- ▶ **IT/ITES** industry is not sure about their hiring plans after 3 months. While 13% of these organizations have their hiring completely paused for Q2 and only 4% of them expecting the pause to continue in Q3, companies that called out unsurety about their plans moved up from 6% during Q2 to 15% for Q3.
- ▶ In **e-Commerce**, while a majority of them – 64% - expect their hiring to be partially active for Q2 and Q3, the no. of employers with a complete pause on hiring gets halved from 18% in Q2 to 9% in Q3 and the no. of companies with fully active hiring plans doubles from 9% in Q2 to 18% in Q3.
- ▶ **Healthcare** industry, in which 11% of employers have fully active hiring plans for Q2, registers a 4-fold jump to 44% in Q3. At the same time, 89% companies that have partially active hiring plans gets reduced to 44% in Q3.

Resumption of fully active hiring

Organizations expect hiring to become fully active after January 2021. It is expected to take up to April 2021 for hiring to be at par with that of April 2020.

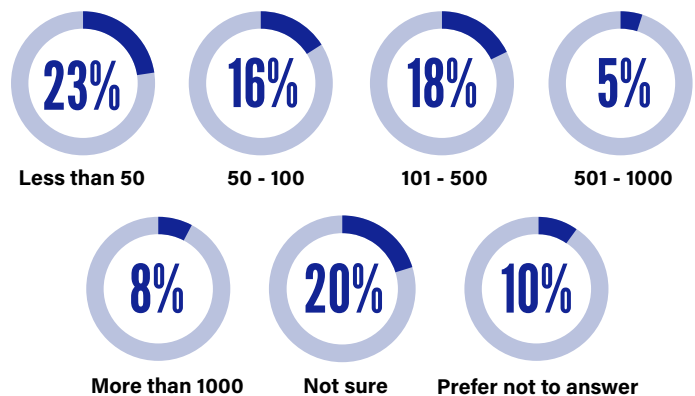
- ▶ 43% of organizations expect their hiring to become fully active from January while 12% expect it from April 2021.
- ▶ 4 out of 10 enterprise companies (5,001+ employees), 1 in 2 small companies (1-500 employees) and 1/3rd of mid-sized organizations (501-5,000 employees) expect hiring to resume from January 2021.



Hiring outlook for the next 12 months

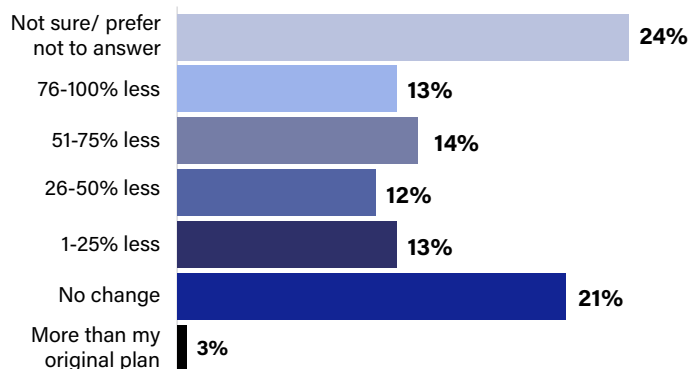
The study finds that 57% of companies forecasts their hiring volume to be less than 500 in next one year. About 1 in 4 companies puts this number to be less than 50.

Half of the IT/ITES companies and 67% of Healthcare companies anticipate to hire up to 500 employees in the next 1 year.



The difference in the next 12 months' hiring from original plan

More than half of the organizations expect a lower-than-originally-planned number of positions to be filled over the next 12 months. 1 in 5 organizations anticipates no change in their planned no. of positions to be filled in the next 1 year.



Change in hiring strategy: Shift towards off-roll hiring

Close to half of the employers (48%) does not expect or plan for any change in their hiring strategy to move from more permanent to more contract roles. While 1 in 10 employers expects this shift, 1/3rd of them was not sure.



Remote hiring

The survey finds that HR/TA leaders are embracing remote hiring and are confident of doing it. They are using technology-driven solutions such as remote online assessments and video interviews to enable a great candidate experience and achieve hiring efficiencies. 3 out of 4 employers believe that they can effectively hire employees remotely while 12% of them was not sure about remote hiring.



I am not sure of effectively hiring employees remotely



I cannot effectively hire employees remotely



I can effectively hire employees remotely



I must learn about remote hiring



Prefer not to answer

As HR/TA leaders embrace virtual hiring driven by technology-led solutions, the adoption is also increasing rapidly. 68% of employers said they will recommend remote hiring to their peers and colleagues.



Yes



No



Maybe



I must learn about remote hiring

College/University hiring

This year, campus hiring has already been deferred. It is expected to be phased out and we may see a longer-than-usual campus hiring cycle.

 **31%** – Yes

While 31% of companies are planning to hire from colleges/universities this year, about 1/4th of them is not. More than a 3rd is not sure of their campus hiring plans yet.

 **27%** – No

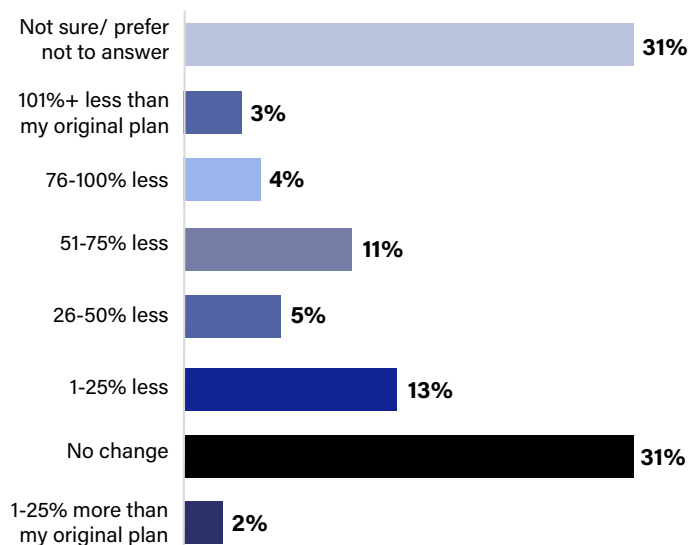
While 44% of small companies are not planning to hire from campuses this year, 51% of mid-sized companies (501-5,000 employees) are planning to recruit campus talent. Close to half of the large enterprises, having 5,001+ employees, are not sure about campus hiring this year (47%).

 **39%** – Not Sure

 **3%** – Prefer not to answer

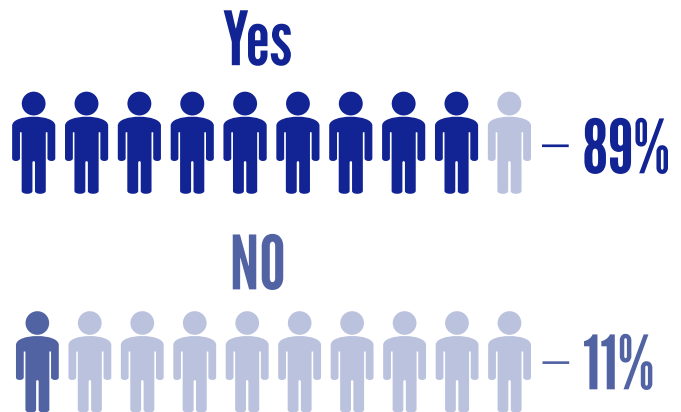
When it comes to campus hiring for this year, while a decline in the overall hiring volume is expected, it is not going to be very high. The campus hiring cycle in this year is anticipated to be longer and not concentrated over few days.

- ▶ While 1/3rd of employers foresees no change from their original campus hiring plans, 36% of companies expects a decline in this year. 13% organizations expect 1-25% decline, 11% expects 51-75% decline and 5% expects 26-50% decline from their original campus hiring plans.



Remote on-boarding

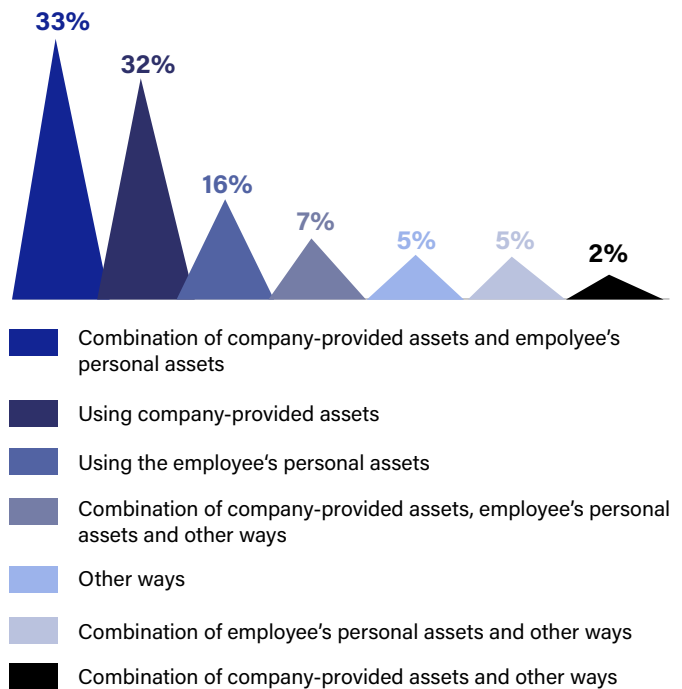
9 out of 10 organizations are onboarding new employees remotely at present.



Enabling on-boarding and remote working

Organizations are enabling new employees to work remotely by shipping assets and using technology-enabled collaboration and productivity tools. Top 3 ways by which organizations enable employees to work remotely are

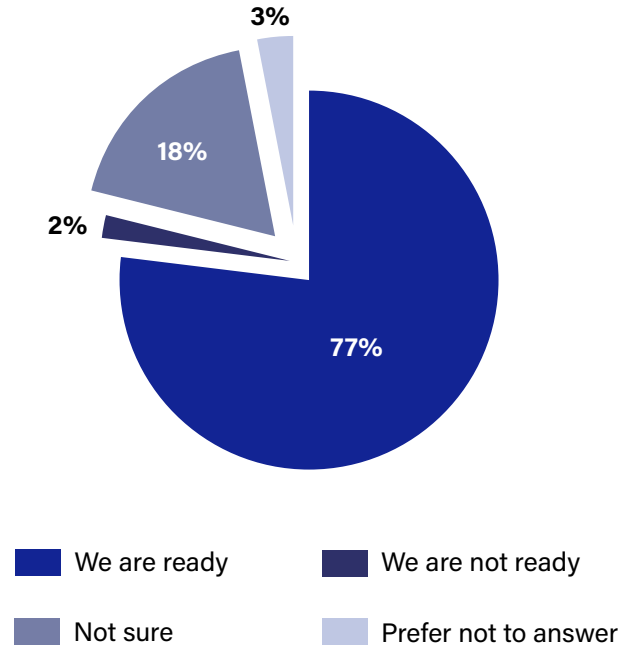
1. Using a combination of company-provided assets and employee's personal assets.
2. Using company-provided assets.
3. Using the employee's personal assets.



Embracing virtual hiring

Amid the pandemic, to fulfill the need to ensure business continuity, hiring is going virtual. This requires a shift in mindset and organizations are adapting themselves to this change.

- ▶ About 8 in 10 organizations feel that they are ready to embrace virtual hiring/digital recruitment. Only 2% feel that they are not ready.
- ▶ Companies in sectors such as e-Commerce, IT/ITES, Services, Science and Technology and Telecommunications exhibit a higher readiness (82%) than the companies in other sectors (68%).



Major challenges in the face of the HR function

Given that companies have moved to a remote working mechanism, ensuring effective employee engagement is seen as the foremost concern by about 1/3rd of the HR/TA leaders. Retaining employees and ensuring productivity with a work-from-home operating scenario are the next top challenges.



Virtual hiring: The new normal for organizations across industries

Optimizing technology solutions for remote operations

COVID-19 has changed how businesses operate and turned them to adopt a remote work culture. Work from home is a part of life now. Leaders in the HR/TA function are embracing virtual hiring and digitized on-boarding. Fueled by technology solutions, virtual hiring empowers employers to ensure a superior candidate experience as well as higher hiring efficiency even though it lacks the warmth of in-person interactions.

Employee collaboration, communication and productivity tools are used by companies optimally to make virtual hiring happen. As fully active hiring resumes after January 2021 and the hiring volumes come at par with that of pre-COVID-19 days, we may see recruitment processes that are shaped up by tech solutions for smooth virtual hiring.

Virtual hiring, digitized on-boarding and work-from-anywhere are becoming the new normal.

About Us:

Careernet Consulting is India's leading talent acquisition organization. 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.

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