

IT firms hire freshers in record numbers to arrest attrition

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Chennai: A combination of increased digitization projects and rising attrition at the mid and senior level at IT companies is bringing record job opportunities for fresher engineering talent. With most IT firms looking to pay premium for specialised skills, the average pay for freshers has also gone up across campuses. IT companies including TCS, Infosys, Wipro, Cognizant, HCL Tech, Tech Mahindra, Accenture, Capgemini and others have already added over 2.3 lakh new graduate talent in fiscal year 2022- a record figure - and have conveyed plans to expand their fresher hiring program in fiscal 2023, industry estimates show.

Milind Lakkad, chief human resources officer, TCS said in the earnings call last month that the company had already hired around 77,000 freshers in the nine months of this fiscal, and "are now planning to hire some more in Q4 (Jan-March 2022)." Cognizant (which follows Jan to Dec as fiscal year) added a record 33,000 college graduate hires in India, up from 17,000 in 2020. "In 2022, we plan to add approximately 50,000 in India," Cognizant CEO Brian Humphries said. Wipro CEO Thierry Delaporte estimates that the company will onboard over 70% more fresh talent from the campus in FY22 versus the previous year.

Research firm UnearthInsight in a recent report estimated that by the end of fiscal year 2022, the fresher additions at the top IT services firms will stand at around 3,50,000-3,60,000, with proportion of fresher talent in these firms at around 14-18% mark. "The IT industry growth outlook remains intact, despite the pandemic and this financial year, the industry is likely to achieve best ever revenue growth and will continue to add workforce as per the estimates," Gaurav Vasu, founder and CEO, UnearthInsight, said. While wage bills are on an upward trend, attrition continues to be a matter of concern, which will drive fresher hiring, he added.

While this is primarily to compensate for the high churn at mid-level, companies are also able to better manage margins as cost of hiring freshers and training them is lesser than hiring experienced hands. Dropout rates are also lower among freshers who go through intensive upskilling, analysts added.

Sriram Rajagopal, managing partner at talent sourcing firm Diamondpick, says engineering graduates are likely to have more than one job option to choose from if they do their part right. "Most of these firms now have an aptitude and a coding round and so preparation would certainly help. And the firms are looking for foundational problem solving skills, ability to collaborate, and work in hybrid teams," he said. "For more complex jobs, they increase the screening criteria and make it tougher, those who make the cut get higher pay," he added.

Within fresher hiring, some companies are also adopting a strategy of tapping talent in tier-two towns and finding success. "We've hired almost more than 8,000 people from these [tier-2] centers in the last couple of quarters. Not only are the average costs lower by say 15%, but we clearly see that our dropout rates in these tier-two towns are lower by almost 15%," Harshvendra Soin, chief people officer, Tech Mahindra, said earlier this month.

"Today soft skills are receiving the same level of attention [as technical skills]. When it comes to freshers, companies are on the lookout for candidates who are equipped with analytical thinking, stress management, communication skills, emotional intelligence and a positive attitude," Neeti Sharma, co-founder of HR firm Teamlease Edtech, said.

"After 2010, which so far has been the best year for freshers hiring at about 225K, FY2022 will see almost double that number being hired," Kamal Karanth, co-founder, Xpheno, a specialist staffing company, said. Moreover, the sustained demand for talent across the sector suggests almost half a million freshers addition for the coming year as well," he added.