

TeamLease Employment Outlook Report:

Half Yearly Edition – Oct '14 to Mar '15



Deep insights and comprehensive overview of the mechanics of jobs, hiring, skills and their drivers, trends and forecasts across eight cities and nine sectors in India.

PREFACE

The TeamLease Employment Outlook Surveys are designed to deliver a deep and wide, analytical, insight about business and employment sentiment trends across sectors and cities in India.

The surveys are structured broadly to capture the factors that influence sentiment, job growth, employer needs and candidate aspirations, skill and salary trends and state them at an overall and at city- and sector-levels.

Project Objectives:

1. Map Employment and Business Outlook, Job Growth and related trends across the country, cities and sectors.
2. Identify and profile the factors that influence sentiment and job growth.
3. Explore skills employers need, candidate aspirations and map salary trends across cities and sectors.

Literature Research & Depth Survey insights

THIS EDITION carries an infographic that illustrates candidate career aspirations and the challenges they face in fulfilling those aspirations. The edition also lists out towns that are relatively new catchments for H. R. Managers.

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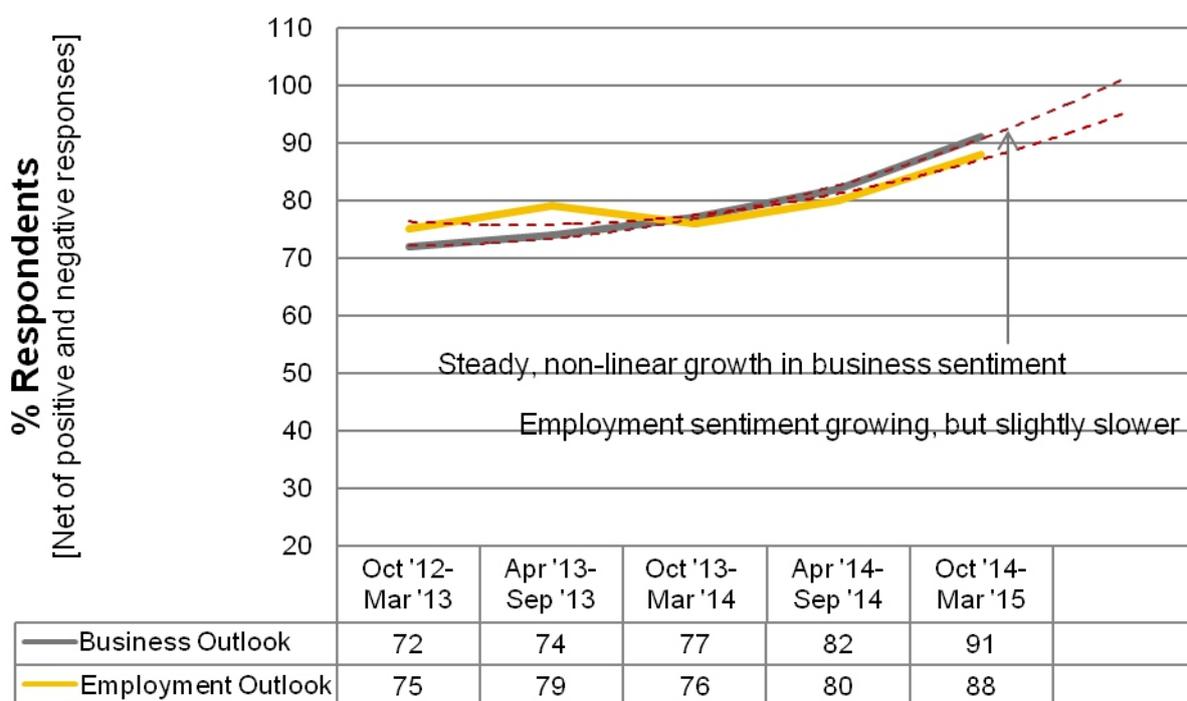
I. Executive Summary

- Global macroeconomic trends and domestic demand have put business and employment sentiments on a fast paced upward trajectory. Business Outlook, for the coming half year, has taken a leap of faith at 91% [+9%] and Employment Outlook growth is almost equally fast at 88% [+8%]. Job Growth is expected to follow suit at a stupendous 12.8% [+2.8%].
- Business Outlook zips ahead magnificently in case of Financial Services [+15%], Infrastructure [+14%], Information Technology [+14%] and Telecommunication [+29%], and Delhi [+25%], Mumbai [+14%] and Pune [+20%].
- The widespread cheer in Employment Outlook is most evident with Information Technology [+5%], Healthcare & Pharmaceuticals [+6%], Manufacturing & Engineering [+6%] and Retail [+4%] among sectors, and with Delhi [+8%], Kolkata [+6%], Chennai [+6%] and Hyderabad [+7%] among cities. Infrastructure is the lone sector that sees a dip – although marginal [-2%].
- A 24-month high Job Growth rate is likely to favour Information Technology [+1.47%], FMCD [+1.08%] and Healthcare & Pharmaceuticals [+0.85%] the most, among sectors, and Mumbai [+1.57%], Delhi [+3.79%], Bangalore [+2.69%] and Ahmedabad [+2.29%] among cities.
- Junior- (1 – 3 years' experience) [+5%] and Senior-level [+4%] profiles are likely to be in high demand as businesses ramp up capacity and enter new markets. As a consequence, Sales and Marketing [+5%] and IT / Engineering profiles [+5%] would likely get a leg up over the next 6 months.
- Top three sectors (by city) in terms of employment outlook growth are -
 - Mumbai: Healthcare & Pharma (4%) / Telecom (3%) / Information Technology (3%)
 - Delhi: Healthcare & Pharma (8%) / Retail (4%) / Infrastructure (4%)
 - Bangalore: Retail (6%) / Financial Services (5%) / Healthcare & Pharma (3%)
 - Kolkata: Financial Services (4%) / Healthcare & Pharma (4%) / Infrastructure (3%)
 - Chennai: Manufacturing & Engineering (6%) / Telecom (3%) / Retail (3%)
 - Pune: Financial Services (6%) / Healthcare & Pharma (5%) / Manufacturing & Engineering (4%)
 - Hyderabad: Infrastructure, Telecom (4% each)
 - Ahmedabad: Infrastructure (6%) / Telecom (4%) / Retail (3%)
- Employer need for newer, and more sophisticated, skills is accelerating, as are candidate aspirations for cutting edge careers. The gap that separates the two consists of institutional inadequacies that empower candidates with technological and market-focused capabilities. Employers are also placing more emphasis on soft skills and team / collaborative skills and leveraging technological tools that enable hiring right-fit skills at scale. Candidates, on the other hand, are increasingly demanding of workplace environs that nurture their unique capabilities.

2. OUTLOOK AND JOBS - BUSINESS AND EMPLOYMENT OUTLOOK

Outlook Trends

Current HY period: Apr 2014-Sep 2014; Forecast HY period: Oct 2014-Mar 2015



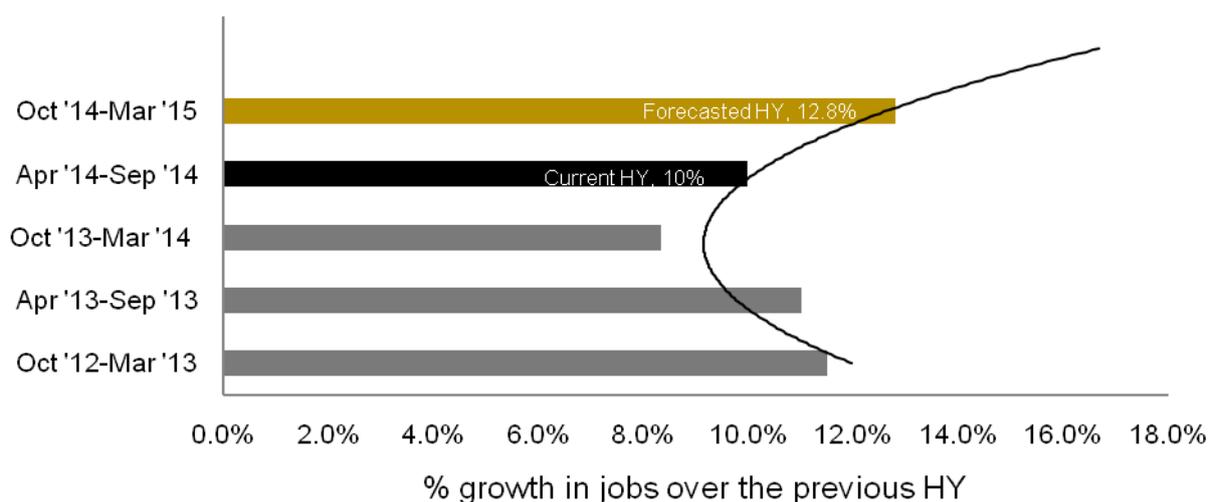
A marked upward trend in both Business and Employment sentiments is accentuated with even higher optimism for the next 6 months. Employment sentiment is staging a gradual rebound following the downward inflection that occurred a year back.

Consumer demand, booming new-age sectors and a slowly recovering export market would drive economic activity over the next 6 months [elaborated in the next chapter] and, increasingly discerning as they have turned out to be, employers are meticulously acquiring valuable skills pushing hiring sentiment up.

JOB TRENDS

Job Growth

Current HY period: Apr 2014-Sep 2014; Forecast HY period: Oct 2014-Mar 2015



Good hiring practices are getting the better of conservatism, boosting job growth to a 24-month high. A rising trajectory indicates that the slack in talent demand may have clearly bottomed out.

With newer, technologically advanced, **modes of talent acquisition** – discussed in the next chapter – employers are being able to bridge the **skill gap** more efficiently. As a consequence of this, and in addition to the demand driven growth many sectors are witnessing, jobs are set to grow at a faster clip this coming half year.

3. THE BIG PICTURE

What drive outlook and jobs

While the overarching theme driving Business and Employment Outlook is the hope employers are reposing in the new regime, there are four broad factors contributing significantly to a reinvigorated labour market.

1. A steadily clawing back global economy:

Much of the western markets are in recovery mode and **business and hiring sentiments are improving globally**. The incremental, but steady, **job creation** this is resulting in is particularly visible in the IT and Outsourcing sectors that are seen to be getting back to the table with businesses in the US.

2. Domestic consumer demand:

The already resurgent consumer demand in India is getting a fillip from never-before seen rates of **adoption of mobile-internet and ecommerce**. Ecommerce businesses, on an overdrive in acquiring both customers and talent, are expanding the demand envelope for the FMCD and FMCG sectors as well.

3. Organizational maturity in hiring for skills at scale:

An indirect fallout of the consumerization of technology has been the enthusiastic adoption of newer, and **more scientific, modes of talent acquisition**. Talent engagement tools that include Social recruitment, gamification and crowd sourcing are enabling right-skill acquisition at scale.

4. Technology services moving up the value chain:

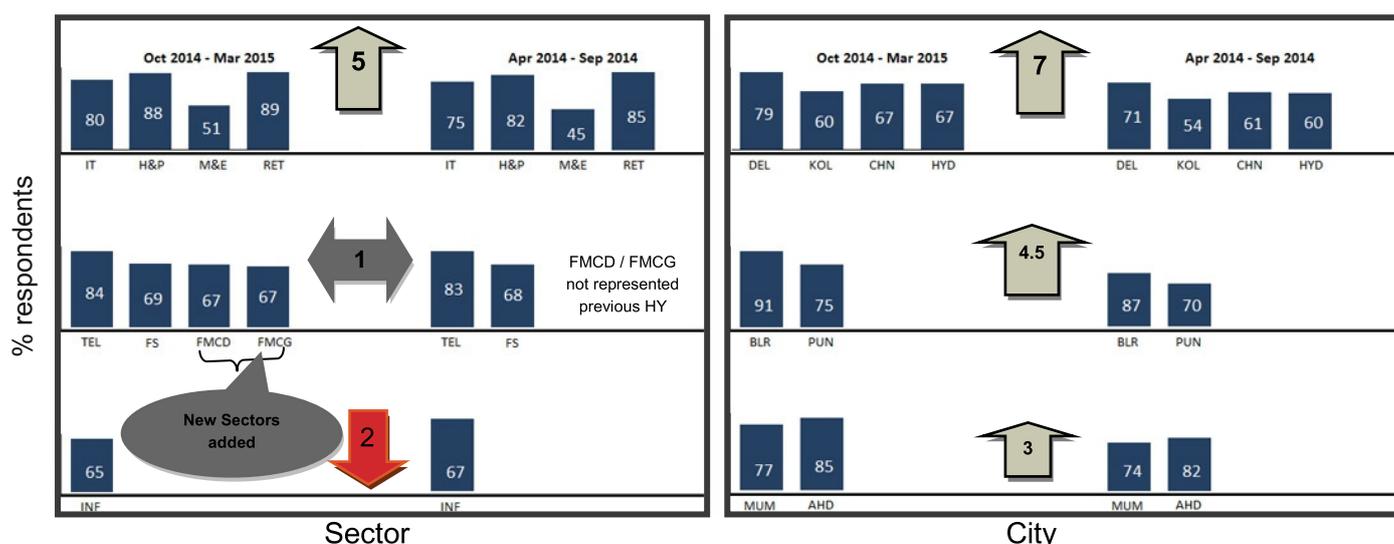
Technology firms are aggressively investing in the **SMAC** [Social-Mobile-Analytics-Cloud] domain and developing new-age solutions that they expect enormous global demand for. SMAC is symbolic of a next wave of outsourcing tech firms are **hiring superior technological expertise** for.

The common theme that is emerging for the coming half year is **globalization** and **consumer technology**. Indian employers are looking at a paradigm shift in the way their businesses are going to be run and the profile of talent they would be acquiring. A caveat though: tech companies are non-linearizing their business models. This works at cross-purposes with hiring and, therefore, job growth rates are relatively lower for IT.

4. SECTOR AND CITY TRENDS

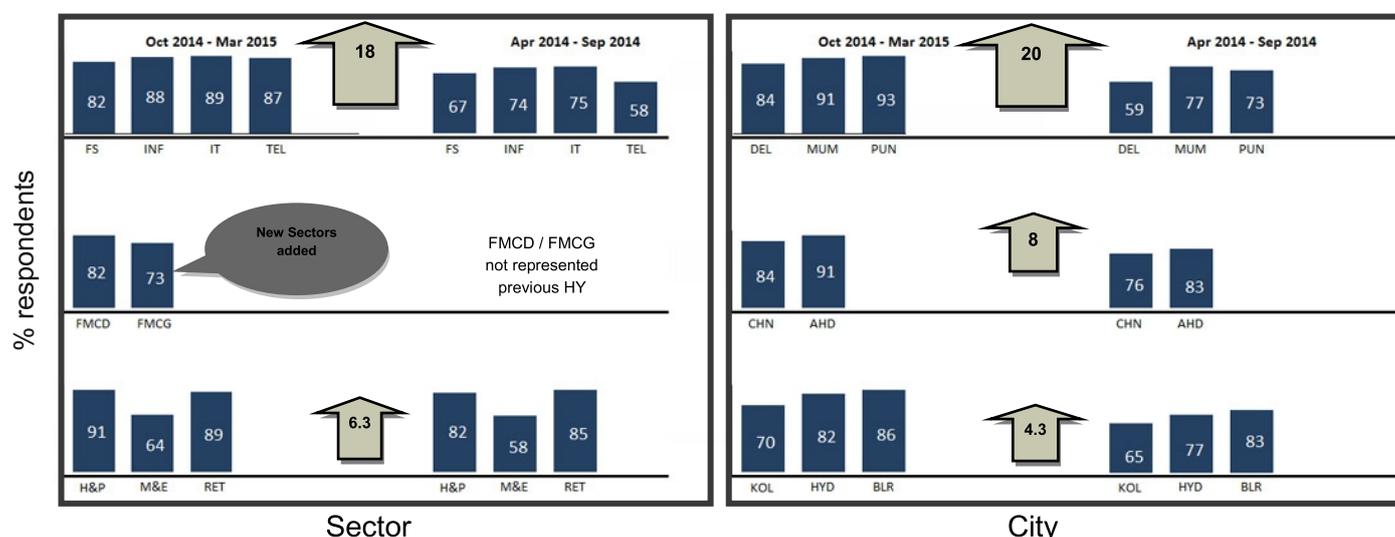
EMPLOYMENT AND BUSINESS OUTLOOK

After a bearish sentiment in the previous half year Oct '13–Mar'14, businesses are optimistic about the employment outlook in the upcoming half year Apr'14–Sep'14. The forthcoming half year also sees an uptick in the proportion of respondents who feel that there would be an increase in hiring needs across their organizations.



EMPLOYMENT OUTLOOK

Respondents across more than half the sectors and cities express a healthy growth in hiring sentiment over the next half year. The factors driving this sentiment are predominantly external – new projects, healthier opportunity pipeline and availability of better-skilled talent – besides the hope of renewed economic activity that the new regime will likely usher in.



BUSINESS OUTLOOK

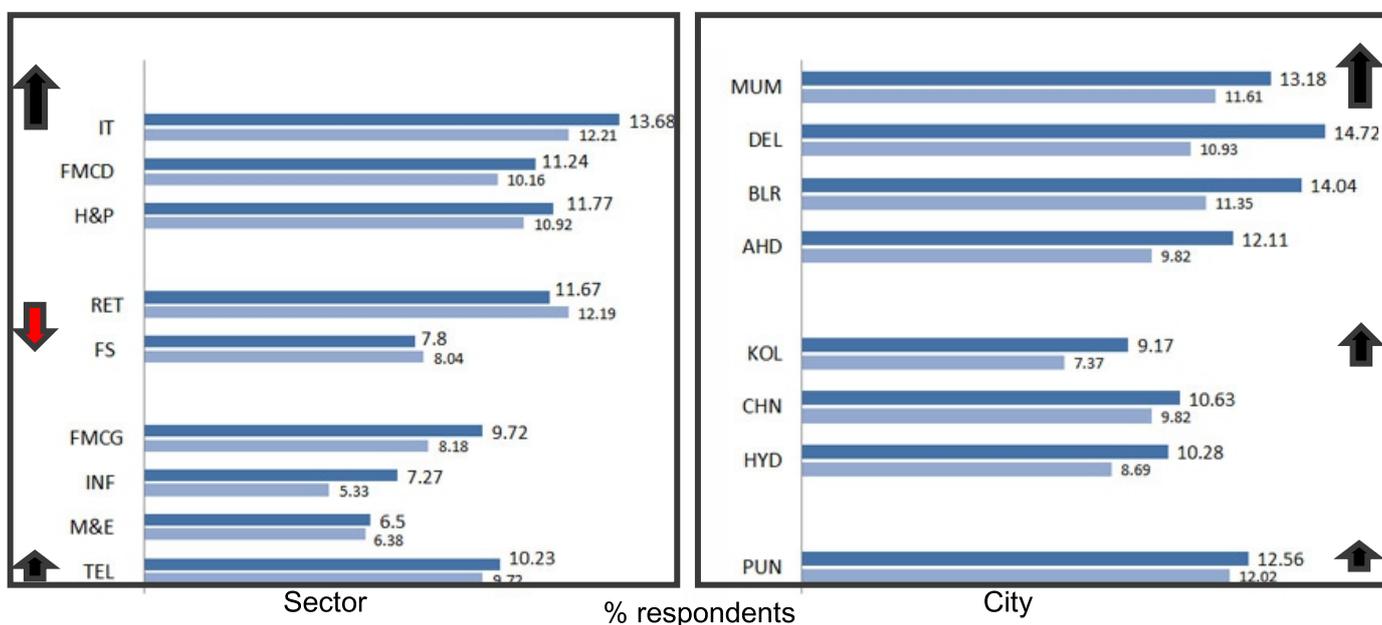
The corresponding Business Outlook trends display an **almost superlative growth** over the next half year, for about half the sectors. The sectors that report such hyper growth rates – 24-month highs in most cases – are a diverse mix. Add to this, a **positive trend for each sector and city** and we are about to witness an exuberant business atmosphere.

Infrastructure is a significant exception this time round. The respondents in the sector are extremely bullish about business prospects but indicate a net negative (albeit not significant) hiring sentiment.

This is because the sector has actively bolstered its talent pool over the past twelve months and has adequate people capacity to execute on the surfeit of projects the sector expects to be executing starting the coming half year.

JOBS

Job Growth rates are double-digit upwards for half the sectors and most cities. However, it must be noted that there is a noticeable disconnect between the magnitudes of positive sentiment and job growth rate. As sentiment translates into real job numbers organizational factors such as skill deficiency and attrition gain in significance.



JOB GROWTH

City Key	
MUM	MUMBAI
DEL	DELHI
BLR	BANGALORE
KOL	KOLKATA
CHN	CHENNAI
PUN	PUNE
HYD	HYDERABAD
AHD	AHMADABAD

Sector Key	
IT	INFORMATION TECHNOLOGY
FMCD	FAST MOVING CONSUMER DURABLES
FMCG	FAST MOVING CONSUMER GOODS
FS	FINANCIAL SERVICES
INF	INFRASTRUCTURE
RET	RETAIL
M&E	MANUFACTURING & ENGINEERING
TEL	TELECOMMUNICATION

5. SKILLS EMPLOYERS WANT

WHAT SKILLS ARE IN DEMAND FOR THE HY AND WHAT ARE NOT

Organisations across sectors are anticipating a positive business outlook in the upcoming half year Apr'14–Sep'14 – which, good news is. This phenomenon is in continuity with the previous half year Oct '13–Mar'14 where there was an increase in the net business outlook.

In comparison with the previous half year, the coming half year witnesses a significant increase in the percentage of respondents who have expressed that there would be a increase in business outlook across their organizations.

IN-DEMAND	OFF-DEMAND
Product / Project Management	Voice Processes
New [Social] Media Management	Administrative / Accounting
Big Data and Predictive Analytics	Feet-on-street Sales
Team Work oriented soft skills	Quality Control
WHAT DRIVES DEMAND	WHAT'S BRINGING DOWN DEMAND
<ul style="list-style-type: none"> • Mega projects, complexity • Explosive growth in social media adoption and Big Data • Proliferation of multi-cultural work environs 	<ul style="list-style-type: none"> • Task automation, smart systems • Rapid adoption of online / mobile commerce

5.2 Skills for Tomorrow

Employers are placing far more emphasis on soft skills than ever, while planning talent acquisition for the next half year. The following are an indicative list of skills employers would be seeking out in tomorrow's marketplace:

- Human Factors and User Interface Design [Indicative Salary: Rs. 4.2 lacs p.a.]
- Agile and Adaptive Thinking [Indicative Salary: Rs. 7 lacs p.a.]
- Machine Learning and Artificial Intelligence [Indicative Salary: Rs. 5lacs p.a.]
- Virtual / Cross-cultural Collaboration [Indicative Salary: Rs. 4.5lacs p.a.]

6. JOBS CANDIDATES WANT

6.1 ASPIRATIONAL JOBS AND GAPS

Organisations across sectors are anticipating a positive business outlook in the upcoming half year Apr'14–Sep'14 – which, good news is. This phenomenon is in continuity with the previous half year Oct '13–Mar'14 where there was an increase in the net business outlook.

In comparison with the previous half year, the coming half year witnesses a significant increase in the percentage of respondents who have expressed that there would be a increase in business outlook across their organizations.



This infographic illustrates three of the aspirational career avenues for candidates and lists the challenges they face with each.

6.2 WHY EMPLOYEES CALL IT QUILTS ?

Based on a candidate survey across sectors and cities, we identified the following five factors as the most critical determinants of employee dissatisfaction and attrition:

- **Role-expectation mismatch:**

Job reality substantially different from candidate's perception of role prior to joining.

- **Career Instability / Lack of growth:**

A sense of insecurity in what may, usually, be an uncertain work environment; or when the job lacks clarity.

- **Lack of Autonomy:**

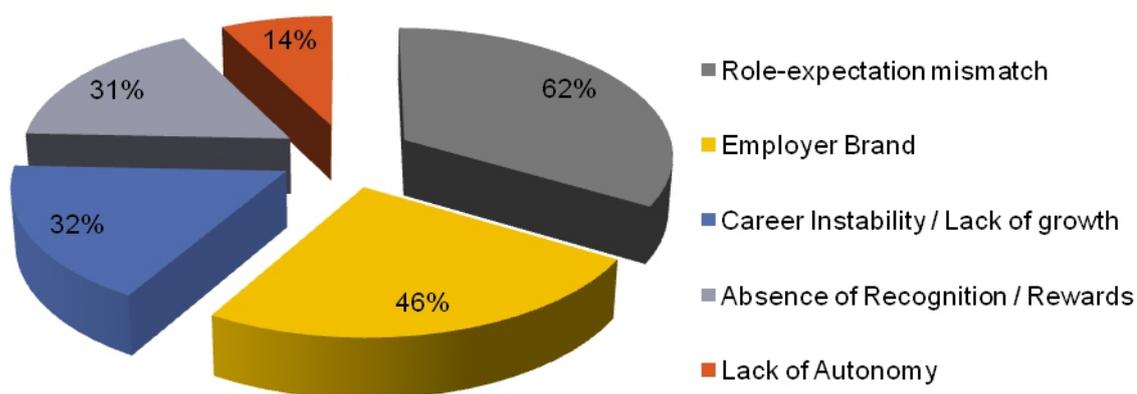
Candidate does not / not made to feel independent to choose a working style / make routine task-related decisions.

- **Employer Brand:**

The stature of the company and how it is positioned in the minds of the candidate's peers.

- **Absence of Recognition / Rewards:**

No formal mechanism to measure performance, identify, recognize and reward employee contribution to the company.



% of respondents [Base: 150 candidates]
Includes overlapping responses

Why employers believe attrition occurs

Better career opportunities

Better utilization of Skills

Career switch / Sabbatical

Expectation mismatch

Why employees actually quit

Employer brand

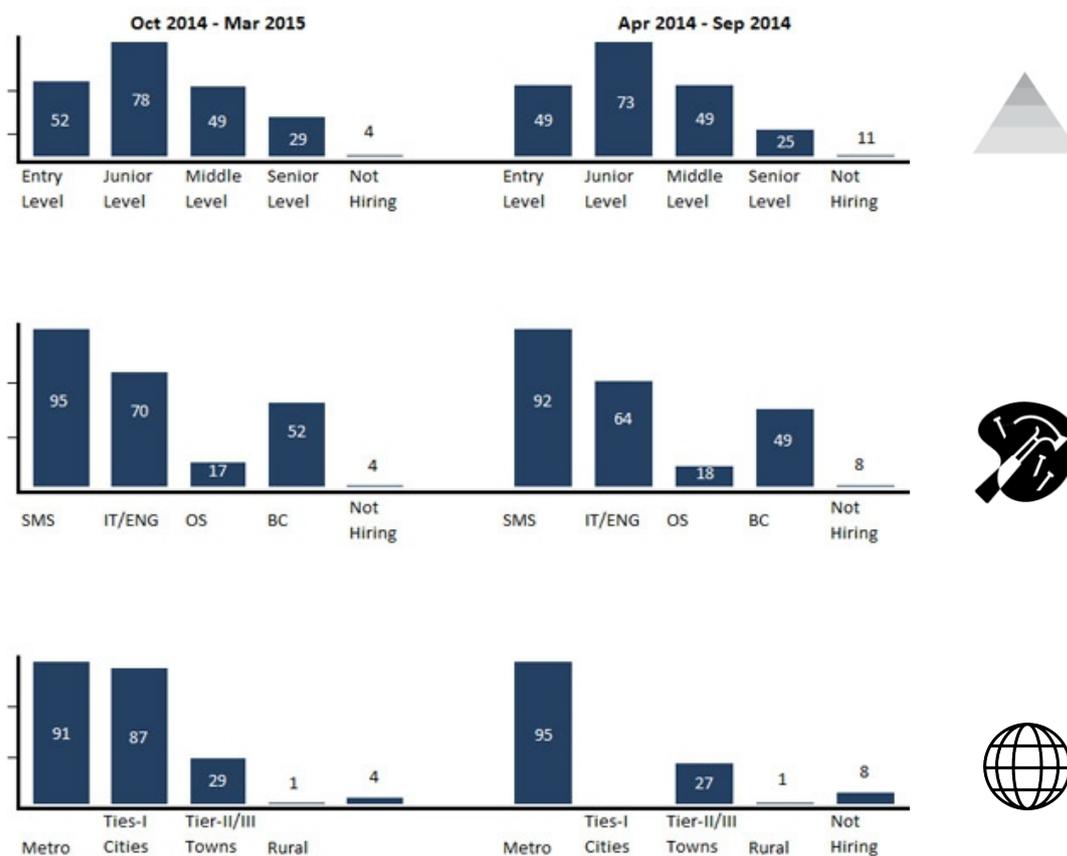
Career Instability / lack of growth

No / inadequate rewards / recognition

No / inadequate autonomy

7. EMPLOYMENT OUTLOOK BY OTHER KEY DIMENSIONS

7.1 HIERARCHY, GEOGRAPHY AND FUNCTIONAL AREA



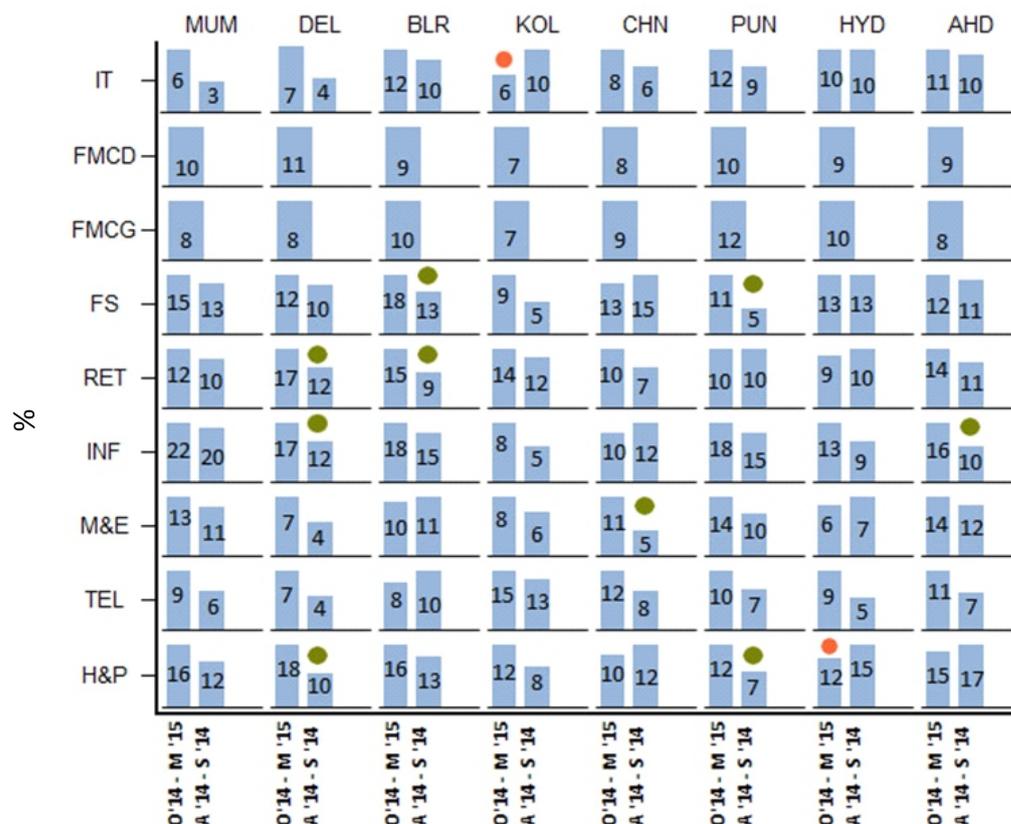
EMPLOYMENT OUTLOOK

Organizations – mostly in the M&E and IT sectors – bolstering their core operations and expanding to new markets mean substantial increase in the sentiment at the Junior and Senior levels of the hierarchy. Geographic trends do not vary much, given that cities house much of the mature talent employers are looking to hire. mature talent employers are looking to hire.

SMS: Sales & Marketing Services IT/ENG: Information Technology / Engineering OS: Office Services BC: Blue Collar Workforce	
Metros	- Delhi, Kolkata, Chennai, Mumbai
Tier I Cities	- Bangalore, Hyderabad, Pune, etc.
Tier II Towns	- Ahmadabad, Chandigarh, Mangalore, etc.
Tier III Towns	- Raipur, Meerut, Ranchi, etc.

8. CITY-SECTOR SWEET SPOTS

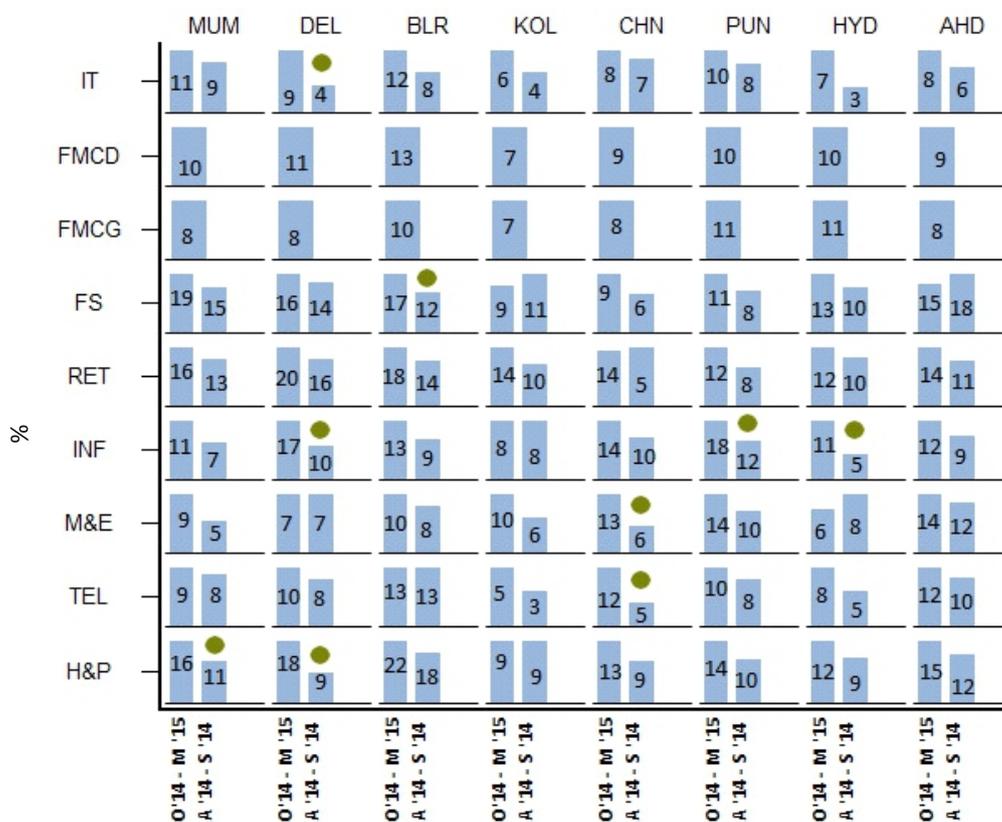
8.1 WHAT CITY-SECTOR CLUSTERS TOP OUTLOOK



EMPLOYMENT OUTLOOK

Delhi and Bangalore form a clutch of high-growth clusters that leave out – most conspicuously – the IT and Telecom sectors. Delhi has a healthy dose of Employment and Business sentiment spread across multiple cities. With both sentiment though, clusters are few and far between, with incremental growth across most sector-city combinations adding up to the overall outlook.

- Positive growth (> 4) in hiring sentiment.
- Negative growth (< -3) in hiring sentiment.



BUSINESS OUTLOOK

- Positive growth (> 4) in hiring sentiment.

WHAT ARE THE [NEW] HIRING GROUNDS FOR THE HY

Employers are constantly looking to hire from new geographies. The following are the [new] catchments recruiters have identified to hire from over the next half year:

- Hindupur
- Visakhapatnam
- Hubli / Belgaum
- Thiruvananthapuram
- Aurangabad
- Kota
- Ajmer
- Meerut

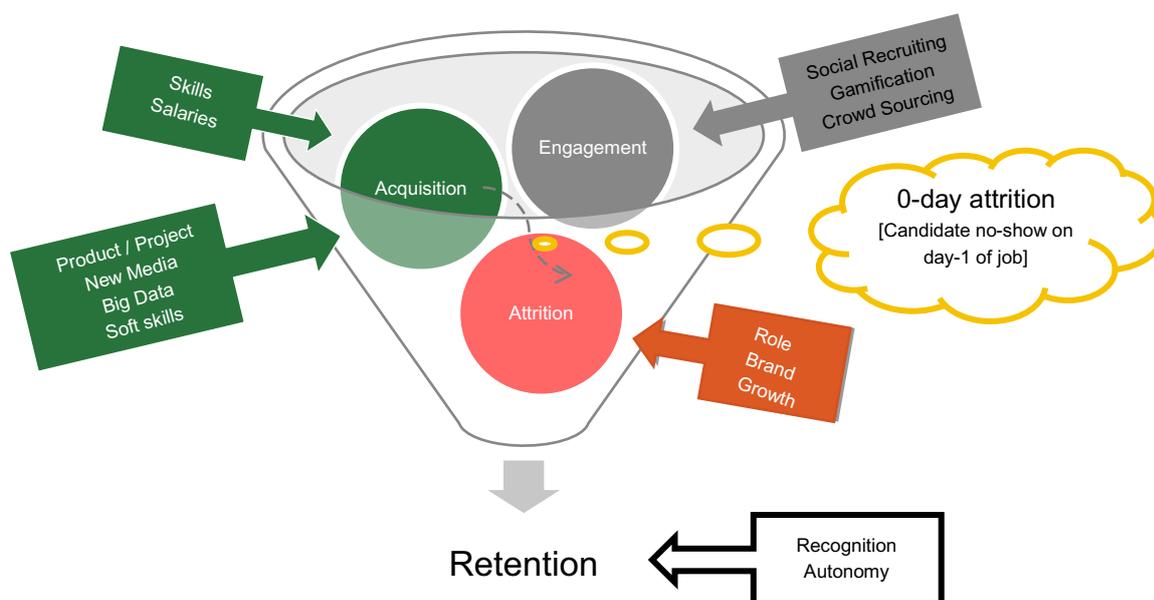
Besides driving down costs organizations hiring from these towns over the coming 6 months have earmarked the below destinations because of four main reasons:

1. Better institutional throughput of talent
2. Extension of an existing urban recruiting hub to its neighborhood
3. Tax breaks for manufacturing set ups and
4. Improved geographic access.

9. THE TALENT FUNNEL

9.1 FROM ACQUISITION TO RETENTION

The below illustration sums up the trends for the forthcoming half year, through the talent funnel. The talent management process is seen to be **moving towards candidate-centricity**. Each step of the way, in the talent acquisition process, candidate concerns and aspirations are taking precedence.



10. THE SALARY SCENE

10.1 WHAT EMPLOYERS WILL PAY

#	City	Sector	Job Profile	Salary (Rs. per month)
1	Mumbai	FMCD	Service Technician	11,000
2		FMCG	Corp Comm Executive	42,000
3		H&P	Medical Underwriter	18,000
4	Delhi	INF	Project Coordinator	47,000
5		RET	Merchandising Exec	14,000
6		H&P	Lab Technician	16,000
7	Bangalore	FS	Relationship Manager	42,000
8		RET	Business Analyst	28,000
9		IT	Data Scientist	145,000
10	Kolkata	TEL	Retail Manager	48,000
11		M&E	Production Engineer	38,000
12		FMCG	RegComm Manager	44,000
13	Chennai	M&E	Tool Engineer	23,000
14		TEL	Survey Support Engr	14,000
15		IT	Text Mining Engineer	37,000
16	Pune	INF	CAD CAM Engineer	23,000
17		FS	Financial Planner	31,000
18		H&P	Chemical Engineer	25,000
19	Hyderabad	FMCD	Key Account Manager	110,000
20		TEL	Structural Design Engr	31,000
21		INF	Instrumentation Engr	36,000
22	Ahmadabad	RET	Category Manager	33,000
23		FMCG	Media Planning Exec	26,000
24		IT	Info Security Engineer	19,000

Job Profiles Sampling Criteria: Profiles have been selected for the sheer number of jobs they represent, and the representative salary they carry, in the respective city-sector clusters.

II. RESEARCH METHODOLOGY

APPROACH

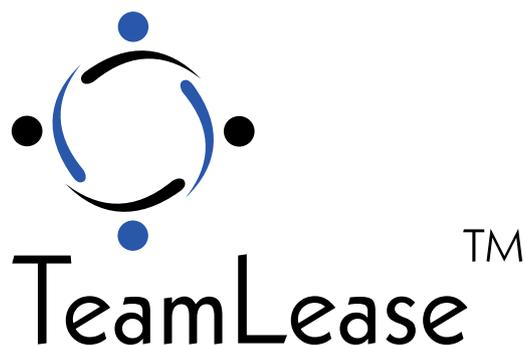
- Business environment, influencers: Secondary research / literature review
- Industry and Job trends, Sentiment and # Jobs, Salaries and Skills: Quantitative research [email / tele-surveys]
- Attrition, root causes and talent retention: Depth surveys

SAMPLE DESIGN

Employers	Mumbai	Delhi	Bangalore	Kolkata	Chennai	Pune	Hyderabad	Ahmadabad	Total
IT	11	12	15	10	11	11	11	9	90
FMCD	11	14	13	9	12	10	12	11	92
FMCG	10	10	11	13	12	13	9	13	91
FS	13	12	11	10	10	13	15	9	93
RET	10	12	11	10	12	10	13	11	89
INF	10	13	10	11	12	10	12	10	88
M&E	10	8	12	10	12	8	10	9	79
TEL	10	9	11	8	8	13	10	9	78
H&P	13	10	13	9	12	10	9	15	91
Total	98	100	107	90	101	98	101	96	791

Business Size	Small [Up to 249 employees]	Medium [250 – 999 employees]	Large [1,000 + employees]	Total
Mumbai	28	48	22	98
Delhi	27	59	14	100
Bangalore	39	47	21	107
Kolkata	24	52	14	90
Chennai	25	52	24	101
Pune	27	51	20	98
Hyderabad	24	56	21	101
Ahmadabad	29	48	19	96
Total	223	413	155	791

Candidates	
Mumbai	18
Delhi	16
Bangalore	21
Kolkata	18
Chennai	18
Pune	19
Hyderabad	19
Ahmadabad	21
Totals	150



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