

## Talent Acquisition Demand and Trends in India

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Hiring demand is picking up in India, recruiters say, reversing last year's slowdown in talent acquisition caused by fears of a global recession and a **[“funding winter - \(https://www.icidirect.com/research/equity/finace/funding-winter \).”](https://www.icidirect.com/research/equity/finace/funding-winter)**

“Now, spring has come,” said Mayank Chandra, Lucknow-based managing partner for executive search firm Antal International, which focuses on filling midlevel to senior-level roles.

“We are getting a lot of assignments,” Chandra said. To meet this demand, he said he is looking to add six people to his 30-person team.

There were approximately 340,000 active white-collar job openings in India at the end of March, which is 24 percent higher than at the same time last year, according to Xpheno, a staffing specialist firm in Bengaluru.

Sectors such as manufacturing, health care, and engineering are driving the strong hiring

intent in India, according to Randstad India, which provides job placement and talent management services.

“The hiring landscape in India has revived, particularly in leadership recruitment, after nearly a year of subdued activity,” said Yeshab Giri, chief commercial officer for operational talent solutions at Randstad India in Delhi.

He said companies are looking for a diverse range of staff at the senior level, either to fill pending leadership roles or for new posts that are being created on the expectations of growth.

Meanwhile, hiring demand for entry-level and midlevel employees remains subdued, recruiters say. One reason is that in the post-pandemic boom during 2021 and 2022, companies hired aggressively in expectation of huge growth but have lately been under pressure to cut costs. Though the recent uptick in hiring demand also includes more roles for junior-level staff, the current demand is still 50 percent below the highs during the same period in 2022, according to Xpheno.

The headwinds and margin pressures employers have been dealing with have shrunk the spend on entry-level talent, said Kamal Karanth, co-founder of Xpheno. “Enterprises have hence been largely focusing on lateral hiring for attrition refills and capacity expansion.”

Looking ahead, recruiters expect demand for talent to remain strong in India.

In manufacturing, for example, which has a workforce of around 36 million, Randstad expects an addition of at least 1 million new employees over the next eight to 12 months, which would be a 15 percent increase compared to 2023.

“The engineering sector similarly exhibits optimistic hiring prospects, with a projected growth of approximately 25 percent in hiring intent for 2024,” Giri said.

### **Seeking Talent That Adds to, Not Just Fits, the Culture**

As companies seek to fill various roles, HR experts say they are increasingly looking beyond just the candidates’ skills.

“We are really looking for capabilities,” said Dayanand Tripathi, Gurgaon-based head of talent management and acquisition at Varun Beverages, which bottles PepsiCo. beverages.

He said that historically, the talent acquisition team would assess candidates based on factors such as whether they are process-oriented and analytical, have ownership and drive, and are

a good culture fit.

But Tripathi said that isn't enough in these times when organizations have to deal with disruptions every few years. Now, they seek talent who can adapt to change and potentially even foresee it.

"We need to have people who are forward-looking," Tripathi said.

To find such people, they look for candidates who are continuously learning and developing themselves. They also look for leaders with an entrepreneurial mindset, people who are opening their own paths to development rather than following a structured path. For this, Tripathi said they rely on psychometric tests and personal interviews to learn of past initiatives taken by the candidates.

In short, he said they are looking for talent who bring diversity and new thinking to the organization and add to its culture.

"You need to have a balance of people who are culture fit and those who are culture add," Tripathi said.

### **Laid-Off Employees Present a Pool of Talent**

One pool of talent that's become part of the acquisition strategy of organizations is employees who have been laid off, a growing number since late 2022 as many technology companies and startups shut down or cut costs.

"We move in waves, and we are in that part of the wave where organizations are correcting themselves," said Hardeep Singh, Gurgaon-based president of Right Management India Operations, an outplacement firm that is part of the ManpowerGroup.

Singh said that talent acquisition teams in India have become more accepting of employees who have been laid off, partly because the phenomenon has hit home in recent years as everybody knows somebody who has been fired.

"Second, we saw HR teams being laid off," said Singh. This has also made them more aware and sensitive to this talent pool, he said.

Singh said demand for outplacement services is now at more normal levels.

For HR, however, one hurdle in hiring these professionals is their high salary expectations, because many tech startups used to pay very high salaries.

In more traditional companies, “the pay ranges would not be as aggressive, but they are stable,” Tripathi said.

## **Talent Acquisition of Women Remains Challenging**

In recent years, Indian companies have been increasingly keen to hire more women on their staff, but the population of women with the experience and skills needed for midlevel to senior-level roles remains small.

Some companies are willing to wait for an extra month or two to find the right female candidate, Chandra said.

There is growing demand for women even in traditionally male-dominated sectors such as manufacturing. However, “challenges persist in finding a sufficient pool of diverse candidates,” Giri said.

In India’s information technology industry, where women represent around a third of the workforce, the pandemic-induced model of working from home had come as a boom. However, as companies are now asking employees to return to the office, it is impacting the ability of women to enter and stay in the workforce, Karanth said.

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