

## TECHNOLOGY & INTERNET

11 October 2021

### Takeaways from call with recruitment expert

- **Shift in hiring trends due to Covid-19, including increased recruitment from smaller cities**
- **IT job market buzzing as clients have hiked technology budgets, implying constrained talent supply in medium term**
- **Fresher wages up 15-20% vs. pre-pandemic period. Increments of 12-15% YoY the new norm vs. 8-10% earlier**

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We hosted a call with Dr CM Dwivedi, HR Head at Nashik-based ESDS Software Solution – among India's leading cloud managed service and end-to-end multicloud service providers. Key takeaways:

**Covid has changed hiring strategies:** With the pandemic causing a shift to the work-from-home model, large IT companies are looking beyond tier-I cities for talent. Hiring has picked up in tier-II and III locations. Other factors contributing to this shift are lower attrition in smaller cities due to the limited availability of jobs in these locations and cheaper talent cost. Emerging recruitment trends include a search for 'global citizens' (people who can work from anywhere) and prioritising people with higher creativity.

**Hottest job market in decades:** Most client enterprises have increased their technology budgets and hence the IT job market is on fire. IT companies also froze hiring during H1FY21, leading to a talent shortage. Demand is high for niche skills such as AI, big data, cybersecurity, data science, machine learning and blockchain. The demand surge is causing wage inflation and higher attrition.

**Attrition to persist over medium term:** Joining ratios have dropped as candidates receive multiple offers. The joining ratio for ESDS has declined from 70% to 50%, creating an additional burden on the recruitment engine. Attrition is intense in the 3-12 years' experience bracket but limited at the senior level. The high churn in the sector is likely to continue over the medium term.

**Wages moving up:** Salaries of fresh IT graduates (which have remained subdued for almost a decade) are up 15-20% compared to pre-Covid times. Moreover, the technology industry saw average wage revisions of 12-15% YoY in last few quarter vs. 8-10% before the pandemic.

**Proactive hiring is key:** To resolve the supply crunch, advance hiring is important. As against the norm of campus recruitment towards the end of the academic year, ESDS has tied up with educational institutions and offered placements to students who have just started their academic session, subject to predefined conditions.

### Recommendation snapshot

Ticker	Price	Target	Rating
COFORGE IN	5,646	6,930	BUY
ECLX IN	2,261	2,880	BUY
HCLT IN	1,322	1,530	BUY
INFO IN	1,724	2,020	BUY
INMART IN	8,806	7,200	HOLD
JUST IN	1,000	1,330	BUY
LTI IN	5,984	6,780	BUY
MPHL IN	3,248	3,530	HOLD
MTCL IN	4,455	3,210	SELL
PSYS IN	4,013	3,560	HOLD
TCS IN	3,936	4,630	BUY
TECHM IN	1,440	1,660	BUY
WPRO IN	661	630	HOLD

Price & Target in Rupees | Price as of 8 Oct 2021



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**Note:** Recommendation structure changed with effect from 21 June 2021

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