

Industry a net hirer, skills the key imperative in the digital economy

- *NASSCOM, Industry, Employees all focusing on reskilling to be future ready*

New Delhi, May 18, 2017: Amidst conversations around the increasing layoffs and the need for the technology workforce to reskill themselves with the evolving times, the **National Association of Software and Services Companies (NASSCOM)** today stated that the numbers being reported across different sources are incorrect and are not in-line with the actual employment progression. Speaking at a conference in New Delhi, **Mr. Raman Roy, Chairman, NASSCOM** and **Mr. R Chandrashekhar, President, NASSCOM**, in the presence of representatives from Cognizant, WIPRO, Tech Mahindra and Mindtree spoke about the progressive and resilient nature of the sector, and highlighted the key industry facts. The industry leadership also highlighted the need for the industry to reinvent itself and the workforce to reskill to remain competitive and be future-ready.

NASSCOM clarified that the reports of mass layoffs by IT companies in India are incorrect. In fact, the industry continues to be a net hirer with talent acquisition continuing across sectors. In FY 2017, the industry added 1,70,000 new jobs (600,000 in last 3 year) and today boasts of a total employee base of 3.9 mn (95-100k in start-ups and 50-60K in eCommerce). The sector remains one of the largest employers of the nation. While there is a gentle deceleration in the net hiring growth rate due to shifting focuses towards innovation, lower attrition and enhanced efficiencies, the sector continues to hire fresh as-well-as lateral employees in equal proportion thus indicating the opportunities for employment at the entry as well as the mid-management level.

Quick Facts:

- Total employee base – **3.9 Mn**
- **1,70,000** new jobs added in FY 2017; **remain a major net hirer in FY 2018**
- **2.5 - 3mn** new jobs by **2025**
- Realignment impacting only **0.5 - 3%** of talent pool
- Over **50%** of talent (leading Companies) already trained in Digital Tech

Workforce realignment is common to any industry and is a part of the regular exercise of yearly performance appraisal processes which only impacts 0.5-3% of the overall IT talent pool. Layoffs are an internal process of companies, where they look at their priorities and align talent; this is a key competitive strategy and there is no modification to this practice in the current year. Going forward the focus for companies will be on skills and proficiency levels rather than scale, hence it is becoming imperative for employees (both current and potential) to skill themselves in domain specific requirements.

While interacting with the media at the event, **Mr. Raman Roy, Chairman, NASSCOM** said, *“Both skilling and talent re-deployment are part of a regular yearly cycle, as this enable companies to remain competitive. Companies evaluate their priorities based on the business needs and work towards making the necessary changes in their workforce planning. And therefore, it is important to look at the larger picture and the long-term roadmap to completely understand and appreciate the situation.”*

With changing paradigms of talent deployment, re-skilling of employees is becoming the key agenda for companies and NASSCOM. Many firms have already established dedicated programs to re-skill their existing employees and India today boasts of over 300,000 such experts; the top companies have already reskilled an average 50% of their employee base. During the NASSCOM India Leadership Forum in February 2017, NASSCOM had announced that its future skills work group was working in partnership with BCG and the industry on a two-pronged approach to enhance the skills ecosystem - Skills vs

'Job-specific' Curriculum and Tech enabled Learning Ecosystem.

The skills vs job-specific curriculum provides a blend of job roles for the future with a focus on skill based learning and certification. The Tech-enabled learning ecosystem is aimed at leveraging technology for building the skills that is scalable & agile with focus on mobility and analytics providing reach and efficiency. The initiative is aimed towards skilling/reskilling 1.5-2 million people (both aspirants and current employees) over the next 4-5 years, and NASSCOM is working with over 20 companies to achieve this target. Additionally, NASSCOM has announced the launch of the NASSCOM Leadership Resource Center, a global collaborative learning community aimed at building differentiated leadership competencies in future leaders of the industry.

Highlighting the re-skilling imperatives of the industry, **Mr. R Chandrashekhar, President, NASSCOM**, said, *"The need for re-skilling talent is a reality that we have to address. To keep up in a fast-evolving technology environment, the IT industry must reinvent itself by re-skilling its employees in new and upcoming technologies. Looking at the future needs of the industry, NASSCOM will continue in its efforts to create opportunities for skilling and reskilling of employees to make them competitive for the industry."*

As the industry goes through its largest consolidation phase in history, Indian IT services industry is at the threshold of the next bell curve. New job roles such as Cybersecurity, mobile app development, new user interfaces, social media, data scientists, platform engineering are evolving, which is giving rise to a new breed of domain experts. The industry is increasingly looking at new skillsets and subject matter experts to continue on the evolutionary growth path.