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Loyalties may Change this Season

There'll be a surge in attrition rates across sectors after appraisals and with better job prospects

Devina.Sengupta
@timesgroup.com

Mumbai: India Inc. had better beware.

The next six months may see a surge in attrition rates to a two-year high across sectors. Better growth prospects, as highlighted in Friday's Economic Survey, and post-appraisal job switches look like they'll lead to an abrupt shift in employee loyalties.

"Companies need to be ready for attrition May-June onwards and it will be 20% higher than the last two years. Hiring in BFSI (banking, financial services and insurance) and consumer will grow and IT is going to lose their employees to the expanding e-commerce sector," said Rituparna Chakraborty, co-founder and senior vice president of TeamLease

Services. The Indian e-commerce sector, currently pegged at more than \$12 billion, is expected to hire more than 1 lakh people in the next six months.

Job searches typically shoot up in the April-June period, following appraisals, and ebb around October-December during the festival season. But recruiters and placement agencies have already started seeing a rush for job changes. Although a big turnaround is yet to happen, attrition will pick up and reach the most in two years in the next few months, said Shiv Agrawal, CEO and MD, ABC Consultants.

A workforce study by Randstad India in December said that an astonishing 59% of employees plan to leave their jobs in the next 12 months.

This frenzy will be concentrated in the in the next few months, said Aditya Narayan Mishra, president, staffing, Randstad India. "Attrition may be highest in the years with IT and services leading the pack. If the budget en-

Who will Leave, Who will Stay



Recruitment and placement firms expect attrition to hit a 2-year high after appraisals

Engineering, BFSI, infrastructure, e-commerce and retail will be in hiring mode

A 20% increase in attrition on average expected in coming six months

Employees with 4-8 years of work experience will be most in demand

Job portals also expect a spike in hunt for new employers by candidates

courages more public private partnerships, there will be more jobs in the infrastructure industry," Mishra said.

The Economic Survey said that

in the country, directly employing nearly 35 lakh people.

KEY TALENT WILL BE HUNTED

Staffing firm TeamLease, which focuses on third-party contracts, junior and middle management, said the main hit will be at the junior level, just after appraisals. While the senior management will be retained with counter offers, companies will be stocking at the lower levels. Overseas assignments, leadership programmes, fast-tracked career plans and coaching classes are being rolled out as retention tools.

The likely attrition of key employees is worrying for companies. "With the increase in economic activity, we would expect a pressure on companies to retain their top talent," said Anandorup Ghose, rewards consulting practice leader at Aon Hewitt India. A Hewitt study showed that in 2014, there was a 31% increase in attrition at key talent levels compared with 2013. Recruiters had confirmed that if markets and investments improved, key workers would get multiple offers.

THE SOFT TARGETS

Although replacement hiring is yet to gain traction, recruitment

firms such as Qness Corp. (formerly Ikyu Human Capital Solutions) said those with four-eight years of experience will be targeted in this regard. But new job creation will be the main driver for poaching such employees this time. "The table has been laid for a while and now we are waiting for dinner," said Ajit Isaac, chairman of Qness Corp. The Bengaluru-based recruitment firm expects attrition to rise by 20% after the last two years were flat.

RESUMES FLOATING IN MARKETS

Job portals too have noticed increased activity on the part of potential candidates. "During the last three years, we have seen an average of 4-5% increase in job-seeking activity during the April to June appraisal period. This year, the jobs market is upbeat, so companies are likely to see attrition go as high as 10%," said Vivek Madhukar, COO, TimesJobs.com. He said engineering, logistics, e-commerce and retail will emerge as leading employers.

However, there are some who say that the rates may stabilise. Job portal Naukri.com said 57% of recruiters surveyed expect attrition rates to remain stable in the first half of 2015.