Sectoral Report 2022

taggd

Decoding JOBS

INNOVATING FOR A SELF-RELIANT INDIA

Information Technology

Industry Partner

CII
Confederation of Indian Industry

Academia Partner

SUNSTONE eduversity


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About The Team

taggd

Taggd is a digital recruitment platform that provides 'Ready-to-Hire' talent to India Inc. Combining the power of human knowledge and data, Taggd has successfully fulfilled talent mandates of more than 100+ clients and ensured hiring managers' success for half a million jobs from over 14+ sectors. With a vision to fulfill 1 Million Jobs by 2025, the Taggd talent platform strives to connect people to people, people to companies, and people to opportunities, just right, every time. Taggd believes hiring right should be non-incidental. It's not just a belief but is Taggd's way of working. And the Taggd talent platform does that by democratising the art and science of hiring. Taggd is the knowledge partner for the India Skills Report. With access to cutting-edge resources and intelligence, Taggd sheds light on the job and hiring landscape cross-nation, providing qualitative and quantitative data from industry experts.

SUNSTONE eduversity

Sunstone Eduversity is a leading higher education service provider that invests in up skilling students across the country. Sunstone incorporates a blend of practical and theoretical education to deliver job-ready skillsets. Sunstone offers its services in 22+ campuses spread across 18+ Indian cities, with industry aligned learning content designed for 7+ tailored programs that are leveraged to enhance employability. Sunstone's unique blend of the latest technology, hybrid learning pedagogy and unparalleled focus on personality development, provides students with a holistic educational experience.

CII
Confederation of Indian Industry

The Confederation of Indian Industry (CII) is entrusted with sustaining development in India through partnering industries, government entities, civil societies, and organizations as an advisory and consultant. CII is a non-profit, non-government entity that is driven by industries and managed organizations responsible for spearheading various national development schemes. Founded in 1895, the premier association is made up of 9000+ members from private and public sectors, MNCs and SMEs across the nation. With more than 300,000 enterprise affiliations and memberships, the CII spans 291 regional and national industries and sectors. CII collaborates with industry leaders and the government to project sustainable development modules and policies. With a range of specialized services and a vast global reach, with its aim being boosting competitiveness & efficiency and creating opportunities for economic and social growth. CII is a renowned networking platform handling pressing issues pertinent to sustainable development with a growing affiliate body. It enables industries to identify and execute corporate citizenship initiatives. Various civil societies work with CII to instigate and incorporate reliable development opportunities across industries and sectors.

Acknowledgement

Dr. A P J Abdul Kalam, our nation's favourite President, once said, **"We will be remembered only if we give our younger generation a pres perous and safe India, resulting out of economic prosperity coupled with civilizationalheritage."**

And we, the team of Decoding Jobs 2022, could not agree more, because it is only India's young talent that is central to India's story of an economically strong and prosperous future. The initiative which started off on its independent journey (through our India Skills Report Initiative) three years ago, with an intent to bring deeper conversations on Jobs at the center of discussions between India Inc, the Academia and the Government, today has evolved into a platform where leaders from across Industries contribute towards creating an authentic reference point – for everything related to jobs. This could not have happened without the coming together of some of the best hearts and minds from industry, academia, and the government.

First and foremost, we would like to thank the 200+ Talent Leaders and CXOs across Industries, who worked with us over the past four months to provide glimpses of the hiring scenario, especially in these volatile times, when all our past knowledge and predictability models were put to test. Be it the Think Tank – CHRO Round Table Series or our primary research, your contributions made the initiative possible.

We would also like to express our sincere gratitude to our Industry Partners, Confederation of Indian Industries and our Academia Partners, Sunstone Eduversity, for their unparalleled support. We would like to thank all team members of Sunstone Eduversity who helped in amplifying the reach of the initiative to a much wider audience. We are proud to have partnered with you all on this national cause which sets the nation's direction in this New World of Jobs in this new decade.Last but not the least, we wish to thank all the members of the CII National Committee on Skills Development and Livelihood, and CII office bearers across states, who have lent invaluable support in administering our primary research. Your support is really appreciated.

The energy and support which we received from all our partners, advisors, and guides in this journey of Decoding Jobs was inspiring. We really hope that you would find the outcome of this effort, which is brought to you in the form of the industry sectoral reports, meaningful and relevant, as you go about Decoding Jobs in the pursuit of the right fit talent in your respective industry.

Foreword from the Ministry

We must strive to make the 21st century India's century. And the path to do that is self-reliance. Aatmanirbhar Bharat has become a 'mantra' for the 130 Cr Indians today. I am confident that India will realise this dream.

“Make India' and 'Atmanirbhar' (self-reliance) through upskilling and reskilling should be the core focus. We understood during the COVID-19 crisis that skills are the key to our lives. Skill development is a key focus, and every Indian must take this seriously.

Those born in 21st century will help India growth and develop further. Hence, skill development is a national requirement. Our vision is greater investment, better infrastructure, increased value addition and maximum job creation.

The 16 action points envisaged by the government will help in boosting jobs in the rural sector. While integrated approach in agriculture will add value to horticulture, fisheries and animal husbandry, youth will get new opportunities in fish processing and marketing under the ‘blue economy’.

The human resource of this sector — doctors, nurses, attendants, and, also manufacturing of medical devices - will see a lot of scope. Atmanirbhar Bharat doesn’t mean only reducing imports, it means to enhance our capacity, our creativity, our skills.

The private sector’s contribution is as important as public sector’s in the economy’s development. We have recently established a dedicated fund of INR 5,000 crore for enhancing 12 “Champion Services Sectors”. Among others, these include IT & ITeS, tourism, medical value travel and audiovisual services. Sectors like manufacturing and telecom... brought great benefits for the country. India’s contribution to vaccination development during Covid-19 pandemic has been a testament to the private sector’s valuable contribution to the Indian Economy.

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Foreword from CII

Sanjay C Kirloskar

Chairman, CII National Committee on Skill Development & Livelihood 2021-22 and Chairman & Managing Director, Kirloskar Brothers Ltd

With the economy poised to reach the 5 trillion-dollar mark in the next few years, India is expected to be one of the top three economic powers in the world in the next 10-15 years. While substantial measures by the government provided the biggest boost to growth, especially after the Pandemic, Industry also stepped in to propel the Indian economy towards growth and stabilization.

The 3rd edition of Decoding Jobs Sectoral Reports is our pioneering effort to provide in-depth analysis into the fast-changing employment landscape of India's key sectors and shed light on upcoming trends, jobs, skills, best practices, and key asks of the job ecosystem, all at one place.

What comes next is the setting up of a modern self-realiant India, built to compete on the global stage with the capital and talent to steer the future-forward. For India to achieve its true potential, it needs to capitalize and harness the vast talent pool. This will only be possible if the nation offers opportunities of growth for the young workforce. While the pandemic presented challenges to the job ecosystem, it also opened new avenues of growth. The current wave of digitization along with the industry 4.0 revolution can drive high-growth industries to attract investments and become hubs for both domestic and international markets. With the right steps, India can increase the rate of employment required to absorb the 1 million talents joining the workforce every month. There is a critical need for skilled talent and new employment opportunities. Hence, the employment and employability landscape must be understood by decoding trends that influence the demand of qualified talent in the nation. That's exactly what the 3rd edition of Decoding Jobs Industry Sectoral Reports aims to achieve.

Combining the insights gained from engaging with 200+ enterprises both through discussions and a primary survey, this edition of Decoding Jobs focuses on each of the key sectors of the economy, namely, Automotive, BFSI, Internet Business, Manufacturing & Engineering, IT & Tech, Healthcare & Pharmaceuticals. The series also covers a special edition on GICs that look hopeful in the coming year. This report aims to bring about a cohesive understanding of talent demand across these sectors combined with the macro-economic factors that influence the industry growth. The idea is to shed light on what employers expect, and how employees are expected to grow to supplement these expectations. Stakeholders, employers, and even academicians stand to gain from an understanding of what the business ecosystem requires, as it hopes to scale into the future.

Message from the President's Desk

Devashish Sharma

Founding Member and President, Taggd

Mahatma Gandhi's famous quote, "Live as you were to die tomorrow. Learn as if you were to live forever," applies aptly to the current state of the business environment of the country. The Indian economy has transformed in massive ways in a relatively short time and continues to do so. Particularly, the digital adoption experienced across industries has unraveled new avenues for growth. While many industries such as the BFSI, Pharmaceutical, and IT are expected to ramp up on hiring in the current calendar year, there is significant weight on the shoulders of young India. If we are to create a self-reliant India with new jobs and new standards of living, we must take stock of the recent changes as a turning point for widespread transformation.

The consequences of a two-year-long continuing battle with the global pandemic are evident in the organized and unorganized sectors. Hospitality, travel, and real estate are slowly reviving their way back and the results usher a new wave of hope to the people. Growing sectors such as Pharmaceutical, IT, GIC, and Heavy Engineering and Manufacturing have shifted to hybrid work environments, launched initiatives to upskill and reskill their workforce, and adopted digital technologies to sustain virtual operations. Meanwhile, India has witnessed more unicorns being listed on the global market, helping India emerge as a celebrated digital entrepreneurship destination in the world.

While the industries have had several reasons to pat their backs, they've also had to manage some roadblocks. The ongoing tech talent crunch, palpable skills gaps, the Great Resignation are only a few of these to name. The Government of India has renewed its plan to accelerate the India Skill Mission which aims to provide 40 crores of young Indians with job-relevant training. Large conglomerates too are investing in skill-driven programs to match the rising demand for qualified talent. The IMF expects India to post rapid growth and become a $4trillion economy by 2024 given its young population, large labour force, and rising educational attainment. Moreover, Our Hon'ble Prime Minister's vision of Aatmanirbhar Bharat has provided the much-needed stimulus to businesses across key sectors. It rightly aims to reduce the financial burden of employers and encourages them to hire more. With continued improvements in the rate of investments, renewed focus on manufacturing and exports,

prudent fiscal policies, and inclusive employment generation India at 75 is rightly marching towards the goal of an annual growth of 9 per cent in FY22-23.

What comes next is the setting up of a modern India, built to compete on the global stage with the capital and talent to steer towards the future. Therefore, it becomes essential for industry leaders to decode trends that influence the nation's employment and employability landscape. That is what we intend to facilitate with our Decoding Jobs Industry Sectoral Reports. The reports combine macro-economic factors that influence the Indian economy, demographic details of the talent market, demand forecasts shared by talent leaders, and disruptions that impact the job landscape. They serve as a handy guide to understanding the job landscape. We have established incisive intelligence about the emerging trends in India's talent market, to give readers a concrete plan while entering the new year.

Since its inception, Taggd has aimed to furnish a trustworthy and data-driven interpretation of the Indian talent ecosystem. We've helped organizations across 15+ sectors find the right talent that best matches their requirements. Combining the insights gained from engaging with 200+ CXOs in an exclusive evening, this year marks the unveiling of the 3rd edition of Decoding Jobs Industry Sectoral Reports. The current year's reports cover a special segment on building self-reliance, looking forward to big plans of government and industry expected to introduce 10 million jobs in the market.

We express immense gratitude to the CII National Committee of Skills Development and Livelihood for partnering with us and carrying through with debates, decisions, and discussions about India's talent leadership. We are pleased to partner with Sunstone Eduversity, our academic partners who contributed with great insights and unparalleled involvement. Combining the intel collected, we were able to consolidate a holistic environment to assess and monitor the talent market of India.

We express our joy and pleasure in engaging with industry talent leaders, who took time from their busy schedules to promote our mutual benefit, for which we are ever grateful. Their invaluable experiences bring depth and understanding to our mission of measuring the world's talent and creating a self-reliant skilling ecosystem.

I believe that readers will find the Decoding Jobs 2022 Industry Sectoral Reports a revelation that is both interesting and thought-inspiring to take India's talent forward while building for self-reliance. While you take the next steps and decisions in the job market, the recognized individuals and intelligence provided in these reports are both useful and applicable to the current scenario of India's employment and employability. Let's build a future based on understanding and mutual collaboration, knowing that our greatest strength is achieved by nurturing the young talent of this country.

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Executive Summary

"India Inc is bouncing back - faster, stronger, and more confident than ever."

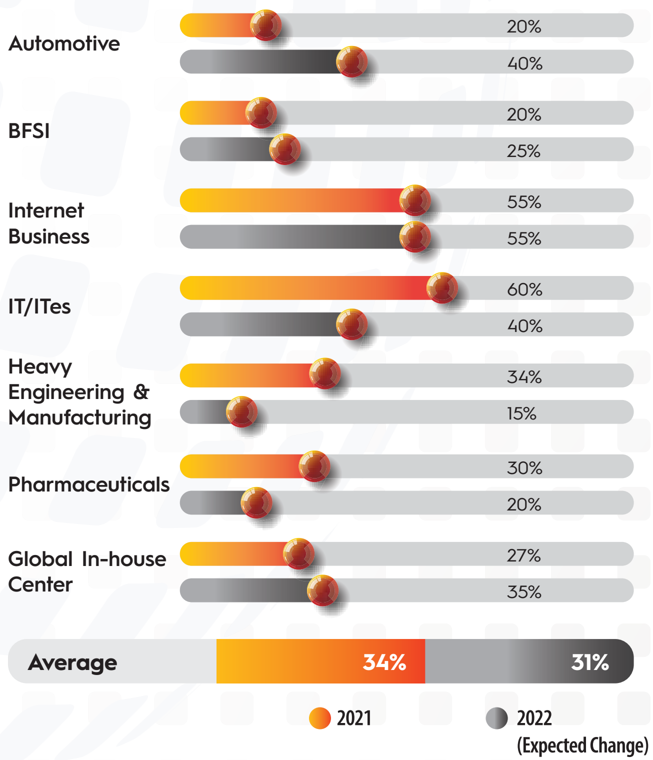
According to experts, most Indian employers, at both government and private levels, are highly optimistic about increasing their internal staffing and workforce levels in 2022. The overall hiring intent is expected to grow to 31%, which is a direct reflection of the recovery that the Indian economy is witnessing post the pandemic. While the pandemic continues to make India's economy vulnerable and volatile, employers and businesses are finding ways to create safe and conducive working environments for their workforce. It, in turn, has been accelerated by the faith of the Indian government and foreign investors. Their faith has helped boost the economy in the last year. Sectors, including entertainment, hospitality, and retail, were dented due to the lockdown are slowly witnessing a rise in sales again with the push towards digital infrastructure and transformation.

2021 witnessed India's economic infrastructure slowly regaining momentum and improving productivity that it lost in 2020. In fact, lockdown or no lockdown, the resilience of India's workforce is clear - to grow, scale, and innovate irrespective of the crisis-driven circumstances.

Hiring intent is expected to increase by 31% over the last year.

What's going to be different this year? More flexibility. Employers have slowly realised that to ensure that they can retain talent and their workforce remains optimally productive, employees and workers need to be accorded a high degree of flexibility in terms of working hours and working environments. Close to 23% of the workforce is

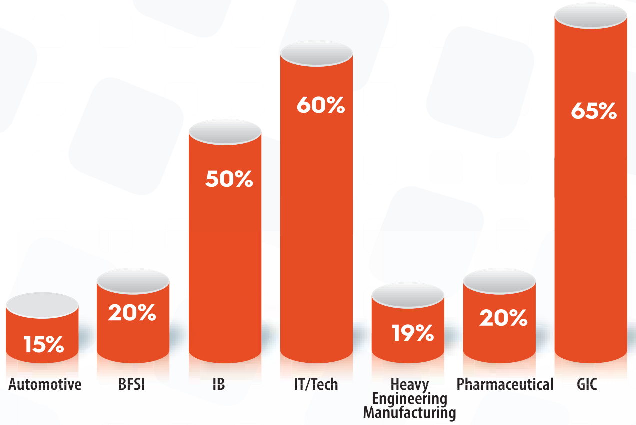
HIRING INTENT BY INDUSTRY



expected to work remotely in 2022 across sectors, with IT and tech leading the pack at 60% of its workforce working remotely. Internet business and ecommerce remain at a close second, with 50% of the workforce working in hybrid or remote formats. Many companies are making remote working a permanent model; some are also providing their employees with the flexibility to operate from home and office, as required.

2022 is the year that employers are finding themselves to be more prepared to face challenges because of the ongoing pandemic. Employers are now unwilling to go off-track; instead, they want to ramp their business up like never before. Top sectors where hiring appears to be at an all-time high include healthcare and pharmaceuticals, edtech, IT, ecommerce and internet business, FMCG, agriculture and agritech, and essential retail services. Across white-collar segments, employment is expected to grow propelled by favourable GDP forecasts, an increase in government stimuli, and a rise in economic activity.

EXPECTED REMOTE WORK IN 2022



Across white-collar segments, employment is expected to grow propelled by favourable GDP forecasts, an increase in government stimuli, and a rise in economic activity.

While promoters and employers remain cautious of oncoming waves of the pandemic, they are hopeful that their business will not be as severely impacted, considering they are in a better position to deal with temporary lockdowns or working at half capacities. One of the biggest lessons most companies have learnt in 2021 is that cutting down on hiring or letting go of staff is not the answer to dealing with the pandemic. Most players in the market are hopeful that hiring will continue to grow steadily.

The government has also given businesses a lot of impetus through its Make in India push which has significantly improved ease of doing business and is helping India shift towards a global manufacturing hub across all sectors. One of the main initiatives is pushing individuals to reskill and upskill because employers are looking to invest in more diverse jobs. The primary intent is to attract capital from domestic and foreign investors to advance technologically.

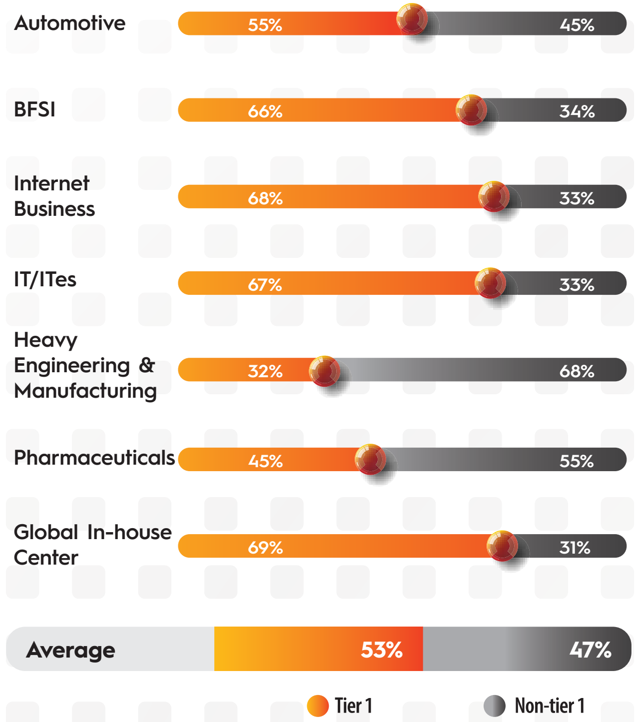
Technical and soft skills go hand in hand. Most companies are looking for employees eager about upskilling, reskilling, and adopting tech-related skills and are more adaptable and flexible to changes.

In terms of the gender mix, there is an upward growth towards hiring more women across all sectors. From senior management positions to the labour workforce, more women employees are at the forefront, showing almost a 36% increase as businesses are aiming for safer and more inclusive working spaces.

When it comes to location, there is a huge increase of about 47% of people expected to be hired in non-tier-1 cities and 53% growth in tier-1 cities. It is a reminder that smaller towns and cities are slowly churning out a high degree of talent and comprise qualified and educated youth. According to a report by Deloitte, 92% of companies gave their employees increments in 2021, averaging 8% - a double growth from 2020's pay hike, with the IT sector offering the highest compensatory structures. Organisations are favouring employees based on the degree of their skill and performance levels, pushing more and more employees to reskill.

The overall hiring intent is expected to grow to **31%**, a direct reflection of the recovery that the Indian economy is witnessing post the pandemic.

HIRING INTENT BY LOCATION



TOP SKILLS IN DEMAND IN 2022

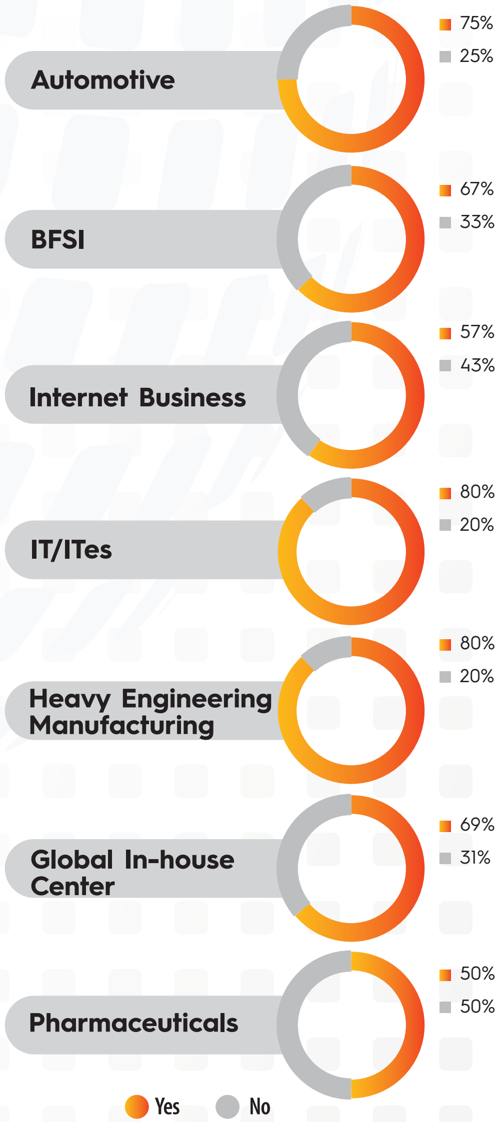
SOFT SKILLS

- Adaptability & Flexibility
- Problem-Solving
- Stress Management
- Emotional Intelligence

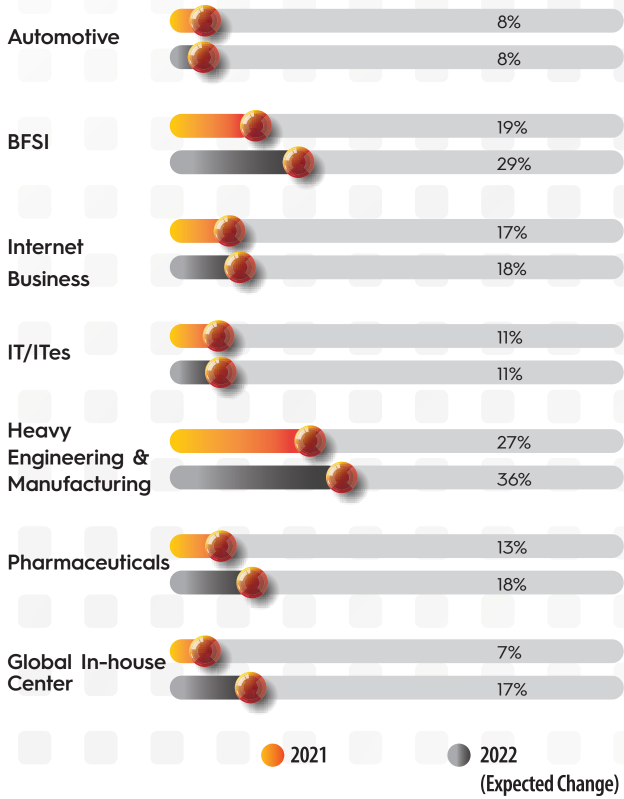
TECHNICAL SKILLS

- Artificial Intelligence & Machine Learning
- User Experience Designers
- Cloud Computing
- Data Analytics & Data Science

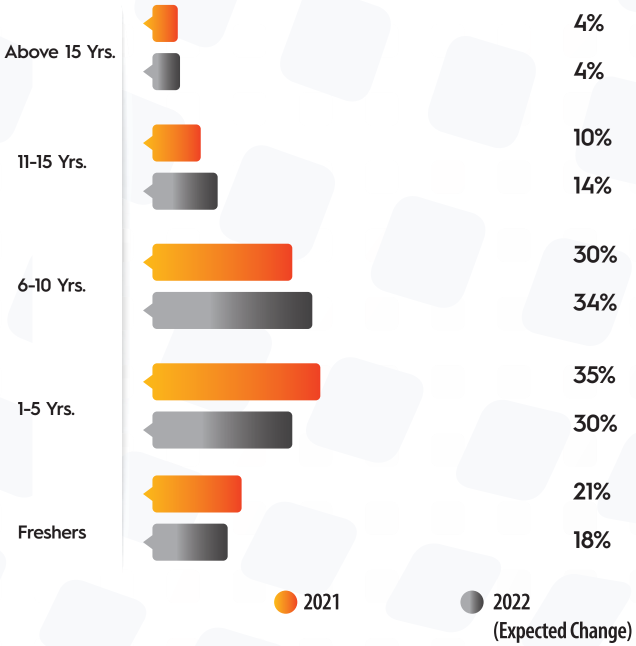
IS THERE SKILL GAP IN YOUR INDUSTRY?



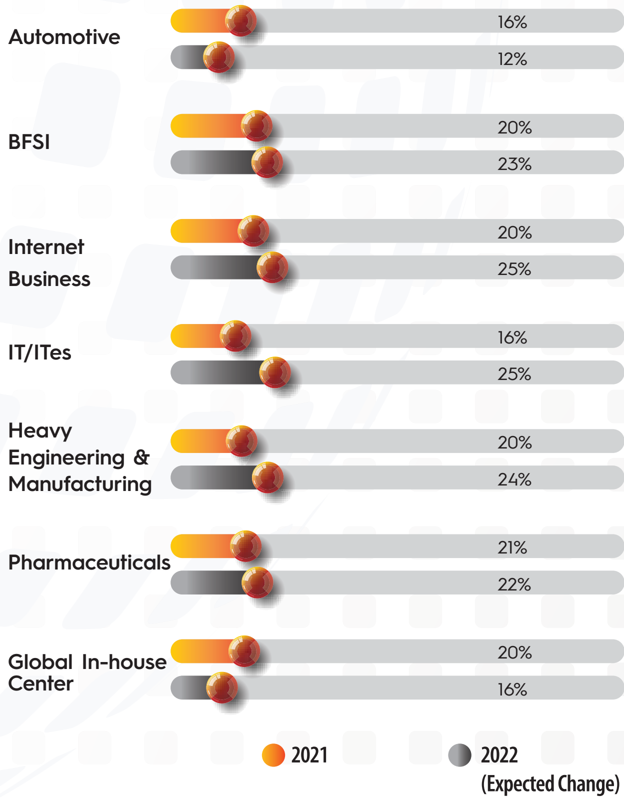
HIRING INTENT FOR 3RD PARTY/GIG/ CONTRACTUAL WORKERS



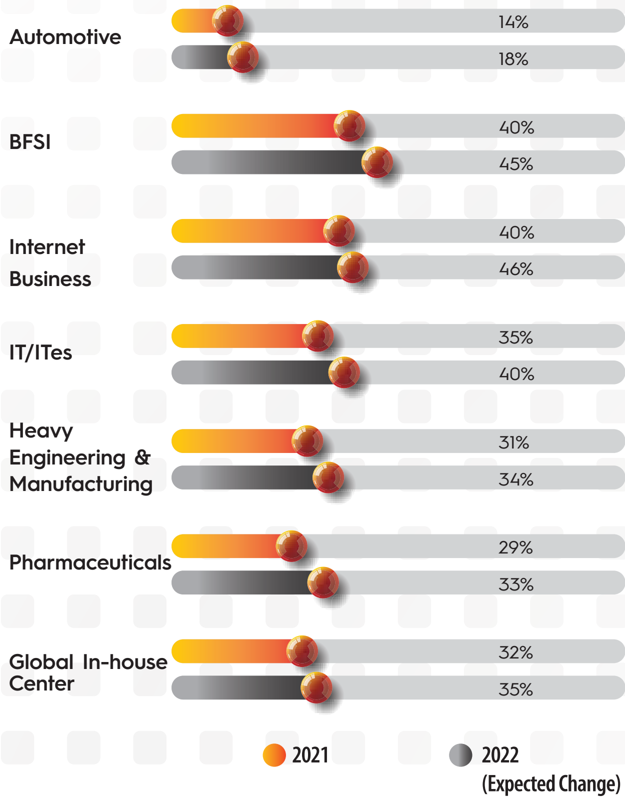
HIRING INTENT BY WORK EXPERIENCE



HIRING INTENT OF FRESHERS BY INDUSTRY



HIRING INTENT OF PROFESSIONALS WITH 1 TO 5 YEARS EXPERIENCE



Employers focus on hiring early career professionals (with upto 5 years experience) to fire up growth

Introduction

The COVID pandemic increased reliance on IT in both the commercial and retail sector as country-wide lockdowns necessitated virtual interactions. Almost every industry had to switch some or all of its business functions online and that required building an even greater IT infrastructure. Enterprises, service providers, and vendors rushed to meet the demands of this infrastructure by innovating on online meeting platforms, collaborative working platforms and other digital technology needs.

With the massive shift to digital working came a wave hiring for tech roles. While the hiring trend demonstrated a rising reliance on IT and IT skills, it also highlighted the demand-supply gap in tech skills. Businesses rose to the occasion by upskilling and reskilling their workforce as tech talent on the market became harder to find due to high demand. However, despite the skills gap, the IT sector continued to grow in **2021**.

The dusk of **2021** was an exciting period for the industry, and it showed a YoY growth of about 7.3% while adopting the new normal. The IT industry was one of the fast recovering sectors from the pandemic, creating tonnes of opportunities while watching the rising attrition rate.

As we see through the industry, in **2021**, the IT industry has contributed nearly **8%** of India's GDP. Software exports by IT businesses affiliated with STPI (Software Technology Park of India) totaled **Rs. 1.20 lakh crore (USD 16.29 billion)** during the first quarter of FY22, according to STPI.

From USD 74 billion in FY10 to USD 167 billion in FY18, India's IT-BPM industry grew at a CAGR of **10.71%,** which is 3-4 times faster than worldwide IT-BPM growth. By 2025, it is expected that the sector will be worth **USD 350 billion,** of which the Indian software product sector is anticipated to be worth **USD100 billion.**

As of Financial Year 2021 in India, the BPM sector employed around 1.4 Million people, with BPM and IT combined employing more than 4.5 million people.

Technological advancements have continuously reinvented the work sector, resulting in millions of new jobs throughout India, particularly in the IT industry. As per research conducted by the Indian Staffing Federation (ISF), an additional three million new IT positions will be created in the future bringing India's tech force to a total of seven million by 2023.

This report examines trends, best practices, and challenges in the IT industry, which will have profound effects for the IT sector today and in the coming year.

As of FY 2021, India's BPM & IT sector employed over **4.5 Million** people, while the BPM sector alone employed ~**1.4 Million** people.

GLOBAL SECTOR OUTLOOK

In 2021, the Indian IT sector spent nearly **19.2%** of the global IT expenditure. The sector has also consistently made efforts to increase localization in foreign countries such as the United States. Most global corporations source IT-ITES from the Indian IT industry, which accounts for approximately **55%** of the global service sourcing market.

INDIA SECTOR OUTLOOK

India remains one of the world's largest exporters of technology. 79% of the total revenue of the Indian IT sector comes from exports alone. On the domestic front, nearly 40% of India's GDP comes from the tech services sector. The sector also aims big on hiring. As per NASSCOM, the top Indian IT firms are expected to add 96,000 employees between 2021-22.

GOVERNMENT INITIATIVES SHAPING THE JOB LANDSCAPE

The massive growth of India's IT industry throughout the last two decades has shifted the world's perspective of India's depository of skills and knowledge and fueled the economic expansion.

The Indian government's liberalization policies, such as lowering trade barriers and eradicating import duties on tech products, have played an essential role in advancing the IT industry. Many government initiatives, such as the establishment of Software Technology Parks (STP), Special Economic Zones (SEZ), Export Oriented Units (EOU), and foreign direct investment (FDI), have also aided the industry in achieving a prime position in the international IT industry.

The current government's Atmanirbhar Bharat venture brings substantial change to the IT sector. Previously, the Hardware industry had been overlooked. In India, the emphasis is now on establishing hardware manufacturing. The most crucial step will be manufacturing Integrated Chips (ICs) in India, and TATA has taken this initiative under Atma Nirbhar Bharat.

In the education industry, the central government has brought a change. The final year of a degree program will be regarded as an R&D year in the coming years. The curriculum will be established based on technological advancements, skill sets, and expertise. This will undoubtedly increase the value of our graduates, who will no longer be job seekers but job creators.

Job Trends That Defined the Sector in 2021

- **Soaring Rate of Attrition:** 2021 witnessed a surge in tech professionals quitting their jobs causing the attrition rate to soar. The average attrition rate in the sector was **8.67%** during the September quarter and still remains high. The situation in top-tier IT firms was grimmer with double-digit attrition rates. The high talent churn in the sector is driven by multiple factors including rising demand for specialised skills such as artificial intelligence, cybersecurity, and cloud computing. While the demand for specialised skills remains high, the supply of talent with such skills is comparatively low. Further, the pandemic and a shift to remote working also contributed to the churn.

- **Technology as a Skill:** Technologies used across industries are changing and evolving rapidly. Therefore, professionals must continuously learn new techniques to increase efficiency, be competitive, and achieve their goals in business. The demand for specific tech-related capabilities such as AI/ML, data science, data analytics, blockchain, digital marketing, etc., has increased over the last few years. This is primarily due to the COVID-19 epidemic and the increased utilisation of technology, advances in digital transformation, and innovation. Technology as a skill required in the current workforce is constantly evolving and crucial in today's workplace.

An additional **3 Million** new IT positions will be created in the future bringing India's tech force to a total of **7 Million** by **2023.**

CHALLENGES IN TALENT ACQUISITION IN 2021

Numerous companies in the IT sector receive huge investments each year creating a room for more development and technological advancements. Therefore, it is important to invest in talent because the attrition is expected to continue. As foreign investment increases and large global firms enter the Indian market, the demand for tech talent will only increase. Let's look at some of the key challenges in talent acquisition in the IT Sector:

- **Lack of skill-based education:** There is a significant gap between skills required by businesses and skills taught by training and education institutes. One of the key reasons for this gap is the insufficient collaboration between the industry and the faculty at educational institutes. Therefore, educational institutes sometimes fail to provide sufficient industry-relevant skills to students. In addition, demand for tech talent is on the rise. But there is a skill shortage that needs to be addressed by the government as well as industry and academia. Internal training and developing employees' ability is vital in the present times.

- **Skills gap:** There is an increasing demand for tech talent that extends beyond conventional IT roles. Although the shortage of tech professionals is not an issue that it is new, the problem has been further exacerbated during the pandemic. The COVID pandemic has made digital/tech skills a necessity an increasing number of business functions have to be conducted virtually. While businesses are upskilling and reskilling employees to meet the tech skill requirements, there still remains a significant skills gap.

- **Talent war:** The battle for tech talent is becoming more intense as the demand for critical roles increases amidst the pandemic. One of the key examples of this can be seen in startups. Startups tend to offer higher packages to the candidates due to their desire to grow faster. However, it becomes challenging for existing businesses to match up to competitive packages. Moreover, the skills gap, exacerbated by the pandemic, creates a shortage of relevant talent, which leads businesses to compete for a limited pool of skilled candidates.

- **The great resignation:** The great resignation refers to a large number of people quitting their jobs due to the pandemic. The trend further contributes to the skills gap, which is already a significant challenge. Reports show that the top five IT firms in India have hired up to 1.7 lakh people during the beginning of the year due to the rising rate of attrition and the increasing demand for skilled tech workers. Experienced professionals are now re-evaluating their work lives as the primary factor in arriving at work choices.

In **2021**, the Indian IT sector made up for **19.2%** of the global IT expenditure.

BEST PRACTICES TO OVERCOME TALENT ACQUISITION CHALLENGES

The technology industry has survived previous crises and discovered new strategies to emerge stronger every time. Indeed technology companies have led the development of a range of strategies that other industries are employing to combat current situations, from virtual collaboration to worldwide dispersed supply chain to deal with disruption.

- **Training and development:-** Onboarding talent from AI/ML education institutes has worked very well in creating a talent pool for these professionals. Structured campus-to-corporate programs also ensure relevant work experience in the candidates. Moreover, creating a robust training and development process in-house also helps upskill and reskill employees. This helps bridge the skills gap by equipping existing employees with the required skills.

- **Creating the buffer:-** Creating a talent pipeline can help stay prepared for future hiring needs. It involves planning ahead for hiring roles that have a greater turnover, such as sales jobs. Creating talent pipelines is also helpful for roles that take a longer time to fill, such as roles that require a very specific skill set, or create revenue losses when left vacant, such as executive positions, c-level roles, and key managerial positions.

BUILDING CAPABILITIES THROUGH SKILLING

There is an increasing demand for tech talent that extends beyond conventional IT roles. Although the shortage of tech professionals is not an issue that it is new, the problem has been further exacerbated during the pandemic. The COVID pandemic has made digital/tech skills a necessity an increasing number of business functions have to be conducted virtually. While businesses are upskilling and reskilling employees to meet the tech skill requirements, there still remains a significant skills gap. 80% of employers in IT industry report that there is a skill gap, keeping in mind the fast pace of technological evolution. It is more important for talent in this space to keep in line with the new skills needed.

Top 3 WAYS companies plan to bridge the talent gap in 2022

KEY ASKS FROM THE SECTOR

Let's look at some initiatives that the government and the industry can take to build relevant capabilities and catalyse the growing job market.

- **From the government:-** The skilling initiatives of the government under the Skill India program have helped the industry with readily available talented and young people that organizations can select and integrate internally quickly. However, an increase in the number of institutes that offer training, reskilling, and upskilling could be advantageous to the industry's overall growth.

- **From the industry:-** Universities and private institutes must concentrate on providing practical training that meets the market's demands. This can be achieved by a structured campus-to-corporate program, exploring collaborations between industry and academia and offering apprenticeships, internships, and opportunities for placement.

As per NASSCOM, the top Indian IT firms are expected to add **96,000** employees from **2021 to 2022.**

WHAT MATTERS MOST: TOP PRIORITIES FOR CHROS IN 2022

As per a survey by Gartner, Inc., almost 60% of HR leaders said that developing vital skills and competencies would be their top priority in 2022. Some other HR priorities for **2022**, according to another survey of over 550 HR leaders conducted in July **2021**, are organizational design and change management **(48%)**, present and future leadership bench (**45%)**, the future of work (**42%**), and diversification, equity, and inclusion (DEI) (**35%**).
Let's take a look at some of these priorities:

- **Building empathetic leaders:-** Amidst the challenging times brought around by the pandemic, empathy was a key skill that managers had to leverage. Building empathetic leaders will continue to be a key priority for CHROs in 2022 as well. Managers who direct with empathy build greater trust with their staff, develop a culture of clarity and acceptance within their organizations, and put people first. They also contextualize performance and behavior by posing questions and gathering information to understand their direct reports' scenarios better. Demonstrating empathy in the workplace is a key part of leadership effectiveness.

- **Employee mental health and resilience:-** Mental health is no longer just a catchphrase for businesses. IT companies have invested significant sums of money in improving employee well-being in light of the pandemic and will continue to prioritize it in 2022. In 2022, a significant focus of HRs and CHROs will be creating a psychologically-safe work environment and policies to help the workforce cope with stress.

As per a survey by Gartner Inc., almost **60% of HR leaders** said that developing vital skills and competencies would remain their top priority in **2022**.

Decoding the Talent Landscape of India

The massive growth of India's IT industry throughout the last two decades has shifted the world's perspective of India's depository of skills and knowledge and fueled the economic expansion.

The Indian government's liberalization policies, such as lowering trade barriers and eradicating import duties on tech products, have played an essential role in advancing the IT industry. Many government initiatives, such as the establishment of Software Technology Parks (STP), Special Economic Zones (SEZ), Export Oriented Units (EOU), and foreign direct investment (FDI), have also aided the industry in achieving a prime position in the international IT industry.

The total enrolment in higher education escalated to a whopping 38.5 million in 2021, however, the employability index dwindled in comparison. This can be attributed to a significant gap in the pedagogical approach taken in universities and colleges across India. Institutes struggle to prepare their students to fight the challenges of the business world. Their curricula often consist of outdated course material, irrelevant to the ongoing happenings in the industry. This, in turn, churns out qualified, however, unemployable professionals thus leading to a staggering employability index across India.

The Impact of the Pandemic on Indian Education

With the Covid-19 pandemic ushering in a new age governed by technology, remote learning and work are to emerge as the new normal across industries like education, business consultancy, IT, and financial services. With the rise in demand for tech talent, opportunities have become manifold which has led to a spike in job offerings in the tech arena. Thus, there is a striking need for the assimilation of hybrid learning into the traditional moulds of the Indian education system.

Alongside that, the pandemic also invited a host of mental health problems which has led to companies looking for employees who exhibit important behavioural skill sets to enhance workplace culture and ensure better communication within teams. Top companies in India are adopting new recruitment strategies centred around specific soft skills that include communication, agility, proactiveness, and empathy. However, there is a gap at the institutional level to adapt to these practices for the holistic development of a student.

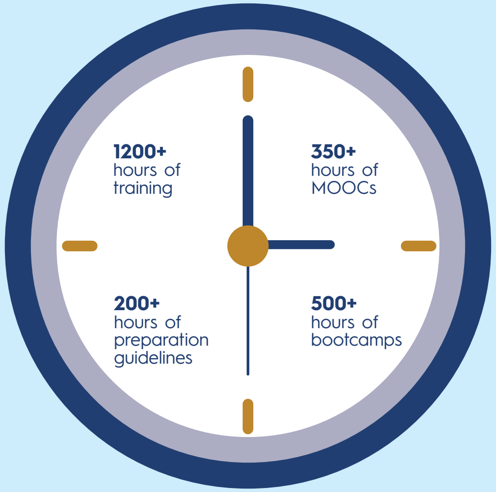
Creating Employable Freshers from the Get-go

Sunstone encourages students to push across boundaries by preparing them for challenging job roles. This is achieved through a rigorous curriculum that incorporates 40+ subjects and 1500+ hours of training that inculcates both technical as well as cognitive skills. This can be further achieved through a two-pronged approach:

- Bolstering the current system of education through its tech led modes of learning
- By disrupting the existing system by introducing industry exposure, focusing on individual learning outcomes, honing critical soft skills, and inculcating employability competency.

Marrying together theoretical learning with practical application of the same, Sunstone integrates immersive and actionable learning to drive outcomes and constructs customised students' learning experiences. To fill the gaps in the current higher education scenario, Sunstone employs a tailored approach that offers:

- **Industry-oriented curriculum:** Industry- aligned courses developed with top experts from diverse domains.
- **Internships:** Experiential internships that offer industry exposure to students prior to placement.
- **Tech-first approach:** Tech-led approach that makes students well-versed with the digital platform of learning and working.
- **Industry immersion:** Hybrid training and boot camps conducted by industry leaders to create job-ready professionals.
- **Breaking the confines of the classroom:** Elevated student experience consistent across all campuses in the country.
- **Community experience:** Robust community and strong alumni network which will enable students to connect with potential employers and maintain strong bonds with their peers.



All these aspects contribute in establishing a successful career path for students, making them better communicators, efficient workers, and exemplary leaders. Sunstone steps in to prepare students to be job-ready right on the first day of work. This is achieved by modular training and development lessons and lifelong placement support.

Expanding Employment Avenues with Advanced Training

The directly proportional need for skilled freshers and an improvement in learning standards was a thought that resonated with everyone present. Indian youth comprises a qualified but unskilled workforce and the demand and supply gap is a matter of concern. Thus, it is imperative to devise strategies moving forward which can ensure an upward trend in the youth employability index in India.

The ‘hire-train-deploy’ model has been actively adopted by Sunstone which ensures a dedicated focus on domain-specific and role-specific training. This grants recruiters the space to deploy professionals from Sunstone as per their requirements. Through this model:

- 60+ clients serviced till date
- 2500+ students placed till date
- 50+ job profiles offered till date

Hire

With Sunstone Hiring Options are not Restricted.

- You do a Premliminary Screening of our Hirees

Train

Sunstone Invest in Domain-Specific & Role- Specific Trainings.

- Abridged Training Program- 1 week to 4 weeks
- Extensive Training Program- 5 week to 12 week

Deploy

Deploy the professionals from Sunstone as Required

- Whole Batch
- Staggered Deployment

The industry-specific profiles that are serviced are:

- Data analyst
- Data scientist
- Business intelligence analyst
- Blockchain developer
- Software analyst

Sunstone offers recruitment partners with a single window access to a remarkable pool of young talented professionals from across the country ready to be hired.

Ensuring Holistic Development of Young Graduates

The marked shift from the demand for purely technical skills to a blend of diplomatic and soft skills has redefined the recruiting trends in the Indian workforce. A crying need for soft skills in employees working with global players has come to redefine the demands of the industry. This need for intellectual finesse that we at Sunstone deliver, has markedly risen in the IT sector. Unlike the assumption that IT solely demands technical dexterity, the success of this industry is heavily determined by the intellectual capital of an organization.

The nature of work across industries has significantly shifted from being purely tactical and transactional to incorporating innovative strategies to enhance employee engagement. This is where Sunstone steps in with its holistic education which is able to render its students job-ready, infused with sought-after technical as well as soft skills.

Piyush Nangru

Co-Founder and COO, Sunstone Eduversity

Decoding Hiring Intent and Trends 2022

A primary survey was conducted across ~200 companies from various sectors to gauge the hiring intent of India, in 2022.

80% of the respondents from the Information Technology sector have expressed a positive intent towards hiring for the current year. Only **10%** of participants in the overall survey exhibited contradictory intent towards the hiring, and the remaining **10%** stated there was no change in their hiring plans whatsoever. Overall, the IT industry showed growth towards the end of **2021** and the same is expected to continue in **2022**.

The sector saw a **60%** increase in hiring during 2021. This remarkable increase in hiring is due to the early layoffs during the pandemic, raised attrition rate, and the continuous rise in talent demand. As the sector stabilizes and recovers, businesses expect that hiring will increase by **40%** in **2022**.

IT Sector in India registered 60% increase in hiring in 2021 over 2020

Change in hiring in 2021 as compared to previous year

Change in hiring in 2022 as compared to previous year

80%
employers expressed a positive hiring intent for 2022

Positive hiring intent   Negative hiring intent

HIRING INTENT BY LOCATION

The Indian IT sector is expanding its bases across various places in developed and developing cities. Identifying educational belts and investing in small cities will decongest tier 1 cities and also lay out opportunities for companies to invest and grow young talent in smaller cities. This has been reflected in survey showing the increase in hiring of non-tier 1 cities. The number of employed people in non-tier 1 cities will increase from 31% to **33%** by **2022**.

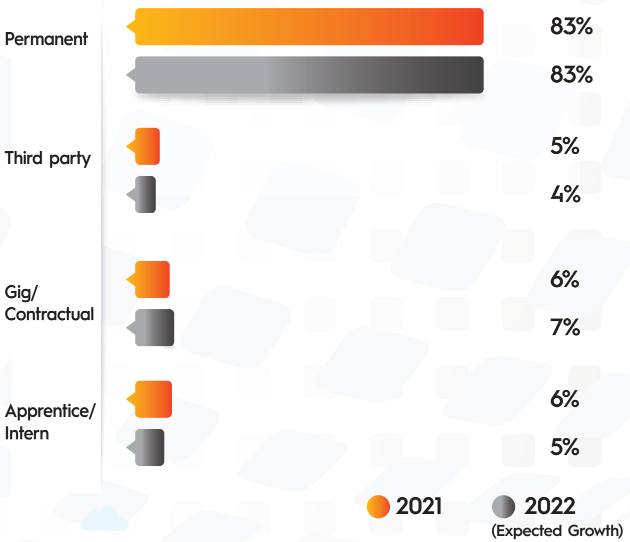
The number of hires from cities in the tier 1 category will drop to **67%** in 2022 compared to 69% in 2021.

The number of employed people in non-tier 1 cities will increase from 31% to 33% by 2022

HIRING INTENT BY WORKFORCE MIX

The IT and tech sector is expected to maintain steady employment rates in 2022 compared with 2021. With the help of the right mix of permanent employees, third-party workers, gig and contractual workers, interns, and apprentices, it will show a slight growth in hiring at all levels of experience.

Permanent employees will continue to make up four-fifths of the new hires in 2022

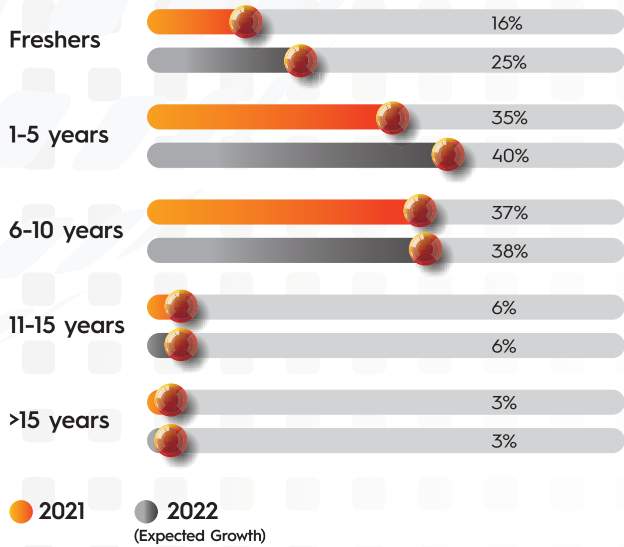


HIRING INTENT BY WORK EXPERIENCE

In the technology sector, companies' investment in young and affordable talent is the need of the hour. Collaboration with educational intuitions is the best way to fulfill this need. So, freshers' hiring is expected to grow in this industry. This ideology reflects in the hiring intent for 2022.

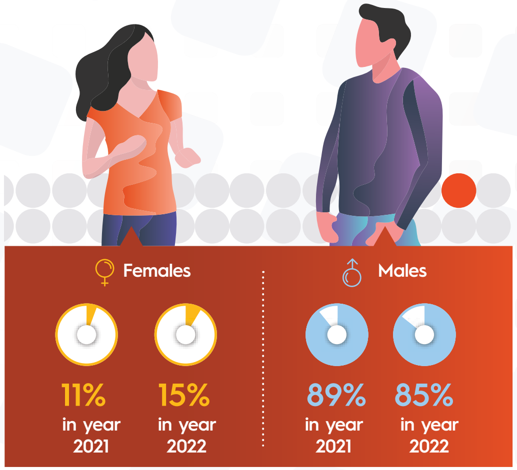
25% of new hires will be freshers as compared to **16%** hired in 2021. However, entry-level talent is expected to be highly sought-after.

IT sector is set to bet big on freshers, expected to increase fresher hiring by 9 percentage points in 2022



HIRING INTENT BY GENDER DIVERSITY

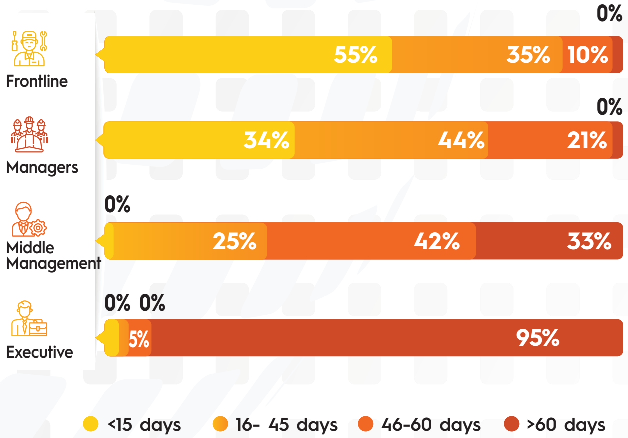
Much remains to be done in the sector to bring gender parity up to speed with a ratio of male to female working professionals at **85:15.** Gender inclusivity in areas such as sales, technical work, manufacturing and production remains at a growth of **15%** as businesses are made more conducive and safe.



KEY HIRING METRICS FOR 2022

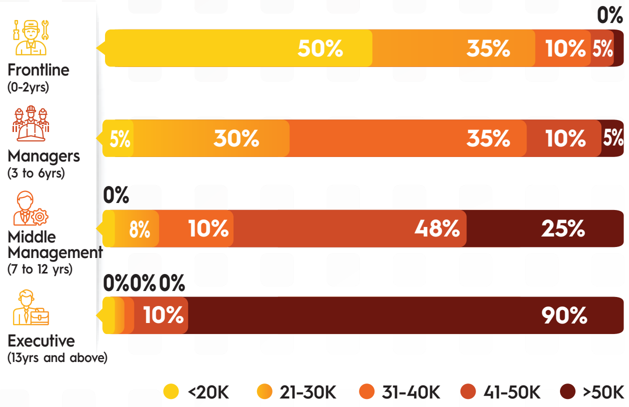
Average Time to Hire

95% of executive positions now take more than 60 days to fill up compared to 75% in 2021



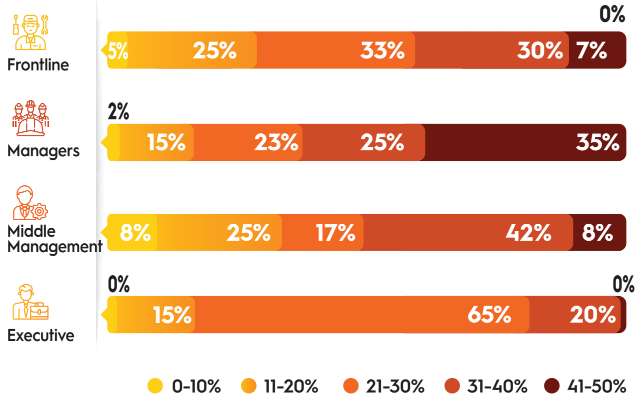
Cost Per Hire

90% of executives now cost more than 50k per hire compared to only 42% in 2021



Average Hike %

Middle-management professionals are getting 35-40% average salary hike on offers.



REMOTE WORKING

The IT sector will continue to work remotely with more than half of the workforce connecting to work digitally. Moreover, outsourcing IT operations overseas to more cost-efficient countries also comes with economic advantages. Therefore, remote working in the IT sector is here to stay and nearly **60%** of the workforce in the sector will continue to work remotely in **2022.**

Way Forward

India is one of the foremost offshoring destinations for global IT companies and has competent on-shore IT products and services. In the coming year, new-age technologies are expected to drive the growth of India's IT sector. To support this growth, Gartner estimates that India's IT spending will increase to USD 98.5 billion in 2022.

In November 2021, Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, commended the sector and added that IT service exports had the potential to reach USD 1 trillion by 2030.

As businesses struggled to respond to the changes brought on by the COVID-19 pandemic, IT vendors were quick to innovate and rise to the occasion. Going forward, India's IT industry is expected to focus on growing its global footprint and expanding its delivery centers globally. The sector is expected to expand to reach USD 100 billion by 2025. To supplement this growth, the key factors India's IT industry will need to focus on will be a robust safeguarding of the systems and data that serve as a foundation of IT products and services. Further, merging dispersed IT infrastructure components while improving customer experience will also be a key to sustaining growth.

Gartner estimates that India's IT spending will increase to USD **98.5 billion** in 2022.

Leaders Speak

Deepti Vij
Director Honeywell

"2021 was a very eventful year for talent acquisition and I see similar trends in 2022, it's so because India has a great landscape of talent, we are a young country, focused on technology and analytics as a whole."

Felix Jeffery
Director
HTC Global Services

"Talent in the technology front is very much in demand. Companies need to course correct and not fuel the price-based talent war. Apart from the hire and train model, strategic technology partners who offer the required competencies are best suited to help companies in the talent war. In the beginning, we noticed a dip in productivity, but it has stabilized now."

Sanju Laitonjam
Global Head TA
Zycus Infotech Pvt Ltd

"We have seen incredible growth in global organizations setting shop in India or expanding their existing presence. This trend got further tail winds as work from anywhere became mainstream post the pandemic."

Sameer Balpande
Global TA Head
Quantiphi

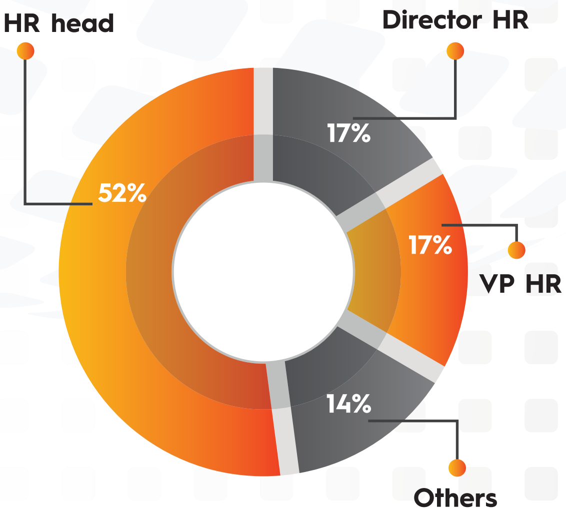
"IT has a lot of potential, and the key to moving forward in this hyperactive market would not be just hiring experienced talent but collaborating with universities to get "Industry ready talent."

Saurabh Govil
CHRO, Wipro

"2021 was a positive year of the IT/ITes industry and we expect this growth momentum to continue in 2022. The industry is likely to see 2X hiring particularly for freshers and for professionals under 2 years of work experience. We've also launched some diversity and inclusion initiatives to facilitate a greater share of women in the workforce."

Methodology

The third edition of the Decoding Jobs, Decoding Jobs 2022 was the culmination of our efforts of over 5 months in collaboration with our partners Sunstone Eduversity and Confederation of Indian Industry. The initiative consisted of a series of round tables, a primary survey and exhaustive one on one conversations with business and Talent leaders across Industry Sectors. The third edition of the Decoding Jobs Think Tank Roundtable Series 2022 brought together some of the top Indian and global talent leaders to understand the hiring trend and outlook in their respective sectors. These roundtables were moderated by our Chief Growth Officer, Manish Gupta, and our Chiefs of Customer Success, Anshuman Srivastava and Vishal Bhardwaj. The primary survey received 200+ respondents from diverse industry sectors, in which the respondents shared their hiring predictions and inputs on other forecasts for 2022. These surveys were filled in by the Chief of HRs or TA heads. Here is a quick summary of the respondent profile:



Anshuman Srivastava

Chief Customer Success, Taggd

Manish Gupta

Chief Growth Officer, Taggd

Vishal Bharadwaj

Chief Digital Transformation, Taggd

This year, as the market tries to bounce back from the impact of the pandemic, the job agenda has become more important not only for employers, but also for government and academia. These 'Think Tank Roundtable' discussions were held with more than 80+ senior industry leaders across major key industries : automotive, BFSI, internet business, global-in-house centers (GICs), information technology, manufacturing and heavy engineering, and pharmaceuticals and healthcare. The participating leaders joined the discussion and shared how their respective sectors weathered the pandemic, drawing attention to the various measures the companies took to turn challenges into opportunities. The discussion also focused on identifying key trends, challenges, and forecasts to realize the vision of self-reliant India.

The outcomes of the very engaging and insightful discussions helped in qualifying the quantitative indicators of our primary survey. It also stressed upon qualitative measures that can be taken to build employee capability in the new normal. These focused group discussions were conduct-ed by Taggd and academic partner Sunstone Eduversity, in collaboration with the Confederation of the Indian Industry (CII).

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