

2014: A job-friendly year?

EMPLOYMENT SCENARIO FOR 2013

The fluctuating Indian economy, highly competitive job market, rising inflation and weakening rupee have led to a sluggish pace of hiring in 2013. Economic slowdown and a lack of skilled talent have been impediments for the Indian hiring scenario since the beginning of the year. Employers too adopted a cautious approach towards hiring while some companies are even cutting jobs. According to the most recent government statistics, unemployment in India has gone up; the rate is two per cent in rural India and three per cent in urban India. The ratio of unemployment is 27 per 1,000 people, up from 25 two years ago. Creating jobs in the organised sector has been one of the biggest challenges in 2013 due to rising inflation and volatility in rupee. According to the recent data by the HRD ministry, only 14 per cent of 500 million Indian labour forces were absorbed by the organised sector in the previous year.

SECTOR-WISE SCENARIO

As per the trends in 2013, the sectors which drove the job market were retail and FMCG, pharma and healthcare and financial services. Retail and FMCG witnessed an increase of 11 per cent and pharma and healthcare also had a fairly good run registering a five per cent increase. However, manufacturing/engineering has pressed the panic button with a substantial drop of four and five points in the employment and business sentiments.

OUTLOOK FOR 2014

Despite witnessing a sluggish pace of hiring in 2013, the outlook for 2014 promises to be positive for job seekers. More and more corporates are expected to come out and invest in their business, thus leading to creation of jobs. Notwithstanding the impact of burgeoning Indian economy, the employment forecast for 2014 looks affirmative. The sectors that are likely to drive the job market are FMCG, consumer durables, telecom, retail and hospitality. Based on the consumer demand, the FMCG sector is expected to witness a six per cent increase in its hiring along with pharma and healthcare. This sector is expected to grow by at least 14 per cent and create multiple jobs from its current strength of over 450000. On the other hand, the IT and manufacturing sectors may be slow in terms of hiring in 2014. Need rather than skill is going to determine the pace of hiring in these sectors were largely driven by the performances, this year, companies are expected to re-design their compensation packages, keeping employees' motivation in view. Going ahead, 2014 is expected to witness an increase in the trend of flexihiring as India Inc's focus has now shifted to hiring a 'productive workforce'. Employers are hiring reactively (just-in-time) when there are projects as employment sentiment lags behind business sentiment. This leaves little scope for training and orientation.

FLEXI - STAFFING

According to a recent research done by the one of the members of the Indian Staffing Federation,

India has the second most optimistic hiring outlook after Taiwan followed by New Zealand, Colombia and Singapore. Not only does the hiring trend look better than the previous year, but a double digit salary hike of at least 10-12 per cent is also on the cards for employees. While earlier the compensations modest hiring with challenging times ahead. Besides, flexi jobs will become the order of the day with more and more companies shifting towards this model.

The prevailing economic uncertainty has not only impacted the hiring activity, but also led to an increase of 18-20 per cent in the flexi staffing industry in India. Considering the current scenario where almost every company is looking for experienced candidates, temping (taking up temporary jobs) is the best option for freshers. Most of the flexi hiring is being done by companies in sectors like e-commerce, retail, financial services, FMCG, hospitality, healthcare and many more. Companies are hiring graduates and under-graduates for roles like data-entry, customer care, voice, in-shop, front-office, warehousing, packaging, technical support, and logistics. Flexi-staffing is here to stay and grow further in India because it suits today's industry requirements and optimises companies to look leaner and smarter. The value it brings to the table for the organisation is in the form of cost saving benefits, market flexibility and return on investment for the organisations. Moreover, these advantages provide the business houses with a strategic competitive edge.