

White Paper

# DISCOVER THE RIGHT TALENT TO ACCOMPLISH YOUR HIRING NEEDS

**Han Digital Perspective – As Recruitment Advisory Firm**

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**“Transforming Talent Acquisition”**

# Executive Summary

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Indian IT Industry has registered tremendous growth in recent years. One of the major reasons for the significant growth of the IT industry of India is abundant availability of skilled manpower. However, at times the industry is pressurized due to the talent pool insufficiency to fulfill their needs for junior to middle level recruitment assignments.

India recorded the highest growth rates over 10 years, and is one of the fastest-growing economies in the world. The country's economic growth continues to be present because of a huge investment of IT. As we experience the fast growing IT sector, the ability and smartness of the workforce is becoming a thriving force behind enterprise growth and modernization. However, the recent analysis of Han Digital, further revealed that Indian employers are experiencing difficulty in filling critical positions in volume hiring, Apart from this, it's even more obvious for the typical Niche & Super niche skill areas like Semiconductor, Business intelligence, Mobile & Telecom, Product engineering, Enterprise applications & integrations and IT Infrastructure management, etc.

We observed the key reasons for this skill shortage, because of the following;

1. Emerging new technologies and demand of product implementation by the growing industries
2. Lack of training facilities provided at software product / service companies because of high acquisition cost
3. Lack of learning and development collaboration between corporates and educations institutes/universities
4. Companies are expecting ready deployable resources with in 2~3 weeks time, Which makes very difficult to match by the talent supply vendors (Be it MNC companies internal business groups or staffing organization)

This white paper takes a closer look at where HR/Talent acquisition teams from start up to fortune IT companies are facing challenges in finding right talent in India & worldwide

# Current scenario of the talent supply Vs demand in Indian IT industry:

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**Do you face skills shortage?**

**Do you wish to set up a skill competency in certain location?**

**Are you successful in filling those shortages with local talent?**

Of course, talent shortage is not new topic for any industry vertical. But having decade of experience in core IT industry, we share our experience and successful stories to fill your talent gaps.

This shortage is across geographies. It's specific to many skill areas, which are high in numbers, but we can categorize them into domain area's like;

- Senior level/ Executive
- Semiconductor
- Business Intelligence
- Telecom & Mobile platforms / applications
- ERP/CRM/SCM/PLM
- Research & development
- Product engineering
- IT infrastructure management
- Application integrations

Many Indian institutes/universities are supplying huge fresh talent with science, engineering and business management discipline to the IT industry. Evidently, Engineering graduates' are more in demand from \*tier 1, tier 2 & tier 3 IT organizations. Even in the entry level, companies also struggle to deploy them directly on real time projects, as they have to spend 3-6 months training on technical and soft skills.

Also to add, organizations are targeting more lateral level talent than fresher's, which gives more challenge. Especially tier 1 and tier 2 software product / service companies are suffering in finding the right talent.

## Why it's being very challenging?

1. Evolution of new software technologies in the market
2. New technologies enables new learning
3. Demand of high salaries and fear on attrition rate
4. Competitive market in the peer level

The \*\*emergence of new technologies leads the corporate in understanding and leveraging these technologies for training, at the same time, the implementation of these technologies in the real time project environment can directly impact how these technologies continue to take shape. Because of new technologies, companies also have to invest fund towards training if the talent is not available. Otherwise, hire from the existing market, candidate will also demand more in compensation if it's very niche technology and sometimes which leads more attrition rate. Companies also lose their competitive strength sometimes by losing the talent in their peer level.

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\*Tier 1 companies are large scale IT companies with more than 50,000 employees, revenue with more than \$1bln and serving more IT services geographically. Tier 2 companies are midsize companies with more than 5000 employees. Tier 3 companies are small startups with less than tier 2 company employee strength

\*\* **Example of emerging new technologies and talent demand:** We have studied Microsoft SharePoint 2007 & 2010 skill set talent pool study in mid of this year 2011 for our one of the fortune customer. But still SharePoint 2010 pool is comparatively very less than SharePoint 2007, because SharePoint 2010 was launched last year 2010. So, not only our customer, many IT companies started providing training to ramp up SharePoint 2010 from the existing major SharePoint 2007 pool. But very recently, because of market demand, Microsoft released Office 365 which is an integrated solution of all SharePoint tools and others. Hence market will also find challenges to find this talent or either they have to give training.

**\*Skill can be divided into four like; Volume, Moderate, Niche and Super niche skills.**

The actual talent falls under either of these major areas. Here companies are quite happy with volume skill as the talent normally floating in the job market. But most of the tier 1 and tier 2 companies are facing challenges in finding the talent from moderate, niche and super niche skill area. Hence many niche projects are not been outsourced from many countries to India.

Is there a solution to understand?

- Really market has such skilled talent or Not?
- How do we capture those hidden talent from the market?

**Obviously Yes!** We can discover the talent, which is really required by the market, and it is also possible for the HR team from the IT companies to understand whether these talents can be utilized for the current need.

## What is talent pool analysis?

Many HR/talent acquisition teams are calling this term differently. But we define it as **“It’s a research methodology which enables collection, analysis and advisory to the client or market about the current talent pool availability with respective technology, industry, domain, experience and location”**. If companies have to fill a vacancy respect to any skills, they can use the talent pool report and look for a means of profile-matching appropriate applicants and job opportunities.

**\* Volume skill:** It’s more of a fundamental skills like C, C++, Java/J2EE, .Net, web development, etc, which is always available huge in the market

**\*Moderate skill:** It’s a domain specific skill along with industry experience like SAP, Oracle, Business intelligence tools, etc

**\*Niche & super niche skill:** Where the companies are finding challenges to find and train the applications specific skill and same time supply of the well matured talent is really in bottom line like Cognos Now!, IBM Optim, MS Dynamic CRM, Architect, CoE / CoC, etc

# Why the talent pool study is important for your talent acquisition?

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Companies continue to expand their global footprint with new technologies demanded by the market, it need to acquire talent and the ability to access quality local talent is a key success criterion. Companies now realize that they need to invest in managing talent to create a real and sustainable competitive advantage.

Hence we understand the importance of talent pool study and its usage;

- To understand total talent availability in the market
- Understand the talent feasibility for new business entries or set up
- To understand & hire the dot-match talent availability towards your current demand
- Possibilities of setting up a new skill competency
- Foresee the alternative skill growth
- Location feasibility for market expansion
- Peer level compensation benefits
- Talent growth and
- Shift in C&B (Compensation & Benefits) curve
- To understand skill or domain changes

If the companies have internal research team doing the talent mapping, we have a set of questions to evaluate:

- Is that talent pool data generated from primary sources and proven technical expertise?
- Is talent pool data being generated without any data manipulation or approximation?
- What value adds the data gives your talent acquisition team?
- Are there possibilities of devising and implementing the report data in to real hiring?

## Our experience in Talent pool study:

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We understand that the talent pool study gives us holistic view of the availability of the talent, but many a times the authenticity and genuine methodology becomes questionable and lead to upset the hiring plan or strategy.. We at Han Digital, do in-depth talent pool study across IT market through primary research with technical expertise and with the help of our subject matter experts. Our collaborative market research and consulting practices also give us edge for the talent study without data manipulation or imaginary data.

Our talent pool analysis framework has been created and published to offer your organizational effectiveness on talent acquisition.

We help our fortune customers in India for the past 4yrs in various recruitment consulting engagements. Few highlights as below:

- Conducted more than 750+ technical skills Talent Pool Analysis
- Achieved with 200+ skills in the financial year of 2011-12
- Helped our clients to set up new skill competency center and grow them to sizable number
- Best recruiting practices among the top IT players in India
- Feasibility study for moderate skills to bulk hiring
- Compensation benefit and reward study
- Offer to onboard ratio analysis to optimize the successful hires
- Employee perception survey

We don't stop just there, but we also publish reports to our customers, and help them hire the critical positions!

Technical recruitment is core competency in our business line, as we have integrated environment with Recruitment services and recruitment consulting, customer's delight is promised and delivered to the fullest satisfaction

“Many tier 2 cities like Trivandrum, Coimbatore, Vizag, Mysore & Chandigarh make improvements in talent pool increase over the past 3~5 years. We expect the Tier 1 companies to target them for moderate to niche skills hiring”

## About Han Digital Solution:

We understand technology and business adequately to deliver recruitment and consulting solutions. Everything we do reflects our deep understanding of talent market and recruiting process. As consultative business partner, Han digital shares our rich experience, best practices and trusted knowledge to clients and candidates succeed.

## Business line:

- Recruitment services
- Recruitment consulting & Advisory
- Market research & Intelligence
- Executive search

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## Our presence

### **Bangalore**

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**For more options on talent pool study reports**

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