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Recruitment Strategies of Indian IT Firms

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With the increasing IT workforce in India, managing these engineers and HR issues of this manpower are increasing day by day. With the growth of IT industry in India, there is a huge demand for skilled workers in Indian IT industry. Majority of Indian IT firms are recruiting in thousands. What these companies look for in a candidate while recruiting? What are their recruiting strategies? What are their sources of human talent? From where these companies get the candidates? How do they interview candidates? What kind of selection methods do they follow? The answers to these questions are furnished in this article.

Introduction

More than a million workers are working in Indian IT industry. With the increase in the number of IT workforce, the pressure and importance of human resource department is increasing in the IT organizations. Top five IT firms in India have recruited more than 100,000 software engineers only in 2007. Now, TCS employee strength has crossed 100,000 globally. It became the first Indian IT

firm to reach this mark in head count. These numbers are raising with the growth of Indian IT industry and the global IT demand. Next, we will see the sources of manpower to this industry.

Sources of Talent Pool

There are many sources of manpower to the IT companies in India. These sources are explained in detail here.

Internal Candidates

Usually the companies like Wipro and TCS consider internal candidates for new job openings. They have internal job boards established in their Intranets. Whenever a new requirement comes up, they post that vacancy in their Intranet and encourage the internal candidates to apply for the job. If they do not find the right candidates or needed new talent, in-house, they go for selecting candidates from outside.

Preferred Sources

The preferred sources of candidates include current employees with Employee Referral Program (ERP), Customer referral, friends and relatives of the management and employees. Usually the candidate selection rate is high, if the candidate comes from these preferred sources and there are more chances that the candidate stays with the organization for long time because he already knows the organization culture through his friends and relatives. If a candidate gets selected using the employee referral program, the employee gets remuneration for candidates selected from the employer. This remuneration varies from company to company. Also the employee morale improves in this case. One advantage with this employee referral program is that the employee mentors or buddies with the selected candidates and introduces the company culture to the selected candidates because he already knows the candidates he is referring.

Temporary to Permanent Employment

These days the IT companies are hiring employees on contract basis. These companies want to have the trail run, that is, on job performance observance of the candidates before they take them on roles. When companies need permanent employees, they interview the internal temporary employees available and make

offers to them as permanent employees. For example, IBM India Software Lab, and Microsoft do this conversion of temporary workers into permanent employees, in India.

External Sources

There are many other sources of candidates for the IT companies in India. They are newspaper advertisements, TV advertisements, and radio advertisements and job fairs. These newspaper and other advertisements in media are useful for the collection of resumes in large scale and maintain a database of candidates for future purposes.

Job Boards such as *naukri.com*, *monster.com*, *jobsahead.com*, and *jobstreet.com* are some of the sources of candidates for IT companies. The IT companies advertise in these job portals at affordable prices for the companies. Networking provided by the sites such as *LinkedIn*, *thesmarttechie.com*, *siliconindia.com* are also some of the sources of good candidates for the IT companies.

Job fairs, conducted by the *TimesJobs.com*, *Naukri.com* and *The Hindu*, are also attracting the young talent in India. Many IT companies are recruiting in these job fairs for entry-level programmer positions and offering on the spot offers for the candidates. The external manpower consultants and the Engineering Colleges and the Universities campuses are the other sources of qualified candidates for the Indian IT companies.

Recruiting Old or Retired Workers

Recruiting old and retired people is in considerable scale in IT enabled services sector in India. Whereas, IT industry is yet to consider these candidates in large scale. These old and retired employees are good source for the domain and the industry expert positions, language editors and experts in specific areas. These employees have the knowledge and maturity to work in modern IT firms. They can learn the new technologies like the young engineers because they have the sufficient time with them to learn the new things. According to Art (2006), the perception that the older worker is less productive than younger one is false. Research indicates that the analytical skills and numerical aptitude of human beings does not reduce with the age. It may stabilize after certain age. Most older employees have better work ethic, and are more dependable and more loyal (Art, 2006).

Hiring in America

Because of rupee appreciation, it is cheaper to recruit in USA now, to compare with that of '90s. Many Indian firms like Wipro and TCS are recruiting from America and training them in India and placing them again in America. For example, Infosys recruits interns for their company from more than 30 countries including US and trains them in India in their Mysore campus. Wipro has, already, 2.5% of their global workforce from non-Indian nationalities on their roles. In a few years time, they would like to increase it to 10%. Another example is TCS. About 1,000 of their employees in USA are American nationals, and it is planning to hire additional 2,000 Americans in the coming three years time (Steve, 2007). Similarly, some of the Indian IT firms are recruiting aggressively in the USA.

Targeting the Candidate

Usually, these Indian IT firms while recruiting candidates categorize the candidates as the first step of recruitment activity. They categorize the candidates based on the size of the organization, number of the needed resources and size of the candidate pool, etc. They follow different strategies for different candidates based on their categorization while recruiting. The candidates' categorization will be based on their employment and achievement levels.

The candidate can be categorized as

- 1) Disturbed candidate
- 2) Undisturbed candidate
- 3) Unemployed candidate
- 4) High achiever or
- 5) Average performer.

Disturbed candidates are ready to accept the job offer immediately. They are easy to target and make them agree to the vacancy in hand. Undisturbed candidates are happy with the current job, however, if they get a call they may accept the offer. Unemployed candidates are actively looking for job. Some of them may rush to accept the offer, some may not. This depends on their family or financial situation.

High achievers are the ones who need to be tackled cautiously. It is difficult to make them to agree to the job offers. They want challenging role and good company to work for. Average performers are moderately easy to be tackled to make them accept the offer.

The Indian IT firms categorize the candidates and deal with each candidate separately. Based on the current and future vacancy in picture, these IT firms target the candidates. If the role is critical, they may target the high achievers, and if it is not critical, they may target the average performers. According to Prabhudev (2006), Indian IT firms have a difficult time in recruiting skilled manpower, and they find even challenging to retain their existing trained employees.

Diversity in Workforce

Now, many of the Indian IT companies are going global and setting offices in Asia, Europe and America. For example, Satyam Computers has development centers in Dubai and China in addition to their headquarters in India. In fact, Satyam has multiple development centers in China. With the advent of the Global Delivery Model (GDM), Indian IT companies are becoming truly global by recruiting people from different countries. Within India itself, these software houses are recruiting people from different states and making them to feel the diversity at workplace. TCS, Wipro, Infosys and Satyam are the examples for this kind of diversity. TCS has around 5,000 employees in APAC region including Japan and excluding India (SDA Asia, 2007). They want to increase the strength by another 1,000, in this region, in the forth-coming year.

Many Indian IT organizations are moving towards work force diversity. Organizations such as Infosys Technologies and Tata Consultancy Services are recruiting the fresh graduates from reputed international universities abroad, train them in India and place them in assignments across the world. This trend is picking up rapidly in Indian IT industry to attract the talent available around the world. Companies like Wipro and TCS are recruiting and acquiring companies in Europe and Scandinavia to diversify their work force. The IBM has proved that the work force diversity is beneficial to the organizational performance.

Selecting the Candidates

Different companies follow different techniques and tests in selecting the candidates. Usually these IT firms go to the campuses and conduct written tests and interviews to the graduating engineers. The written tests include aptitude and analytical tests. The project leaders, project managers, senior management and HR team conduct face-to-face interviews. For lateral candidates, there will be two or three technical rounds and one HR round of interviews take place in the Indian IT firms. This interview process is typically company specific process.

After screening the resume, the candidate will be called for written test and interview. According to Lou Adler (2008), we should not make cold calls to unqualified candidates.

Recruitment in Infosys has been automated largely. Using a computer application, they were able to screen a million resumes and call 160,000 people to take part in entry test (Johnson, 2007). To this level the recruitment process is automated in Infosys.

Interviewer Strategies

During the interview, the interviewer should provide the right environment for the candidate to respond to the questions. In the interview only, the candidate will have a feel of the company. The interviewer should be careful when becoming tense or offensive in some situations in the interview process. He should carefully respond to the contradictions. Initially, the interviewer should be given interviewing skills training. Majority of the Indian IT firms give interviewing skills training programs to project leaders and project managers in their companies.

Recruitment Process Outsourcing (RPO)

According to Murali (2007), Recruitment Process Outsourcing (RPO) has been defined as “the outsourcing of specific defined recruitment processes, performed in both centralized and decentralized applications, involving detailed service level agreements, with the vendor taking complete ownership of the processes of recruitment.”

Now, the trend in the HR field, in Indian IT industry, is moving towards outsourcing HR activities such as recruitment, payroll and candidate selection. For example, Wipro BPO has outsourced recruitment process to MeritTrac. Similarly other firms are also on their way to outsource the recruitment activities to the HR consultancy firms in India. Already majority of the IT firms, in India, have many HR consultancy firms as their vendors in supplying the candidates for their requirements. Now, they went a step ahead and outsourcing the entire recruitment process to other firms in the HR field. For example, iGate Corporation is a RPO provider. Till now iGate was able to recruit more than 2,000 professionals on behalf of its clients (Murali, 2007). The present size RPO industry in India is estimated to be \$2.5 billion and is expected to grow at 30% to 40% for the next couple of years.

IT companies are the early adapters of this RPO trend. At the same time, global RPO providers are seriously evaluating the option of offshoring their RPO work to countries such as India (Murali, 2007).

HR as Part of Corporate Strategy

Look at HR as part of the corporate strategy. Talent management, people empowerment, people engagement are part of HR strategies. These HR strategies should be aligned with the corporate strategy to make the organization successful. Becker *et. al.*, (2006) argue that the Strategic Human Resource Management (SHRM) focuses on the organizational performance rather than the individual performance. According to Becker *et. al.*, (2006), SHRM emphasizes the role of HR management system as solutions to business problems. As per Becker and Huselid (2006), SHRM theory should be extended to focus on effective strategy implementation as the key-mediating factor between HR architecture and organization's performance. Appropriately designed and implemented HR strategy can make significant contribution to the organization's financial performance (Becker & Huselid, 2006).

Conclusion

This article examined the different sources of candidates for IT firms in India. It also discussed how the Indian IT firms are recruiting aggressively in the USA. With the growing demand for manpower requirements in Indian IT industry, there is demand and pressure on HR executives working in Indian IT industry.

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