

HIRING SENTIMENT TO DECREASE OVER THE NEXT FEW MONTHS; TEAMLEASE EMPLOYMENT OUTLOOK REPORT

~ The Net Employment Outlook for India drops 3% to 92%, for October-March, 2018-19 HY~

National, 20 November, 2018: The latest Employment Outlook Report (HY-2: October-March, 2018-19) by TeamLease Services, India's largest staffing company was launched today. A biannual report, the report provides an overview of the hiring and job growth sentiments for the period October 2018 – March 2019. The report forecasts a decrease of 3% in the net employment outlook to 92%, (October 2018 – March 2019) as compared to 95% for the preceding half-year (April–September 2018). Despite the continued, significant, growth in GDP the job market for the forthcoming half year sees slight drop in hiring sentiment.

The report has surveyed 750 employers and 2500 employees of small, medium and large companies across 19 sectors and 14 cities to understand the hiring sentiments in the country. According to the report, eight out of nineteen sectors surveyed report increase in the Net Employment Outlook, 7 other sectors report drop in their outlook, while one sector reports no change for the October-March, 2018-19 HY. While out of the 14 cities surveyed, the outlook has improved in 4 cities and falls in 4 cities. Across hierarchy mid level hiring increases by 3% while there is a drop in entry level hiring (by 5%), junior level (by 3%) and senior level (by 4%). Moreover, medium-sized businesses will bear the brunt of the prevailing sentiment with a 3% drop while small and large businesses report a 1% increase in sentiment, each.

The report also surveyed 75 employers across the globe, to analyze the global trends for employment outlook. According to which a 2-3% drop was seen in all global markets (except in Europe) in terms of the Net Employment Outlook. Asia- Pacific retains the top spot with the most positive Net Employment Outlook at 59% despite a 3% drop. Europe that was considered a laggard in the previous half has held its outlook at 39% while Africa at 40% and Middle-east at 54% after a reported 3% drop in outlook, each. The Americas reported a 2% drop in their net outlook making the current figure at 42%.

However, India has gained a bigger lead, for this HY, over global markets in terms of the percentage of employers (94%) who report a possible increase in their hiring volume. In India, the Power and Energy sector will be the biggest gainer with 4% increase in the hiring sentiments, over the past half-year, across the employers surveyed. Some of the other top sectors with incremental positive hiring outlook were Financial Services (+3%), Media & Entertainment (+3%), Educational Services (+3%), Healthcare & Pharmaceuticals (+2%), Ecommerce & Tech Start-ups (+2%), Manufacturing, Engineering & Infrastructure (+2%) and Travel & Hospitality (+2%). With 3% drop, Construction & Real Estate, Retail and Telecommunications are the top laggards in the second half of the year, followed by Agriculture & Agrochemicals (-2%), BPO/ITeS (-2%), IT (-2%) and FMCG/D (-1%).

The biannual report has added "Job Creation" for each of the 19 sectors over the next HY 2018-19 as a new initiative that is unprecedented in the market. Power & Energy sector will add 33,100 new jobs, financial services will add another 44,650 new jobs and media & entertainment will add 46,300 new jobs in H2 FY18-19. For the cities surveyed in the report Mumbai will add the highest number of jobs 1.66 lakh following by Delhi (1.55 lakh), Bangalore (1.52 lakh) and Hyderabad (96,000).

KEY FINDINGS OF THE STUDY

- *GLOBAL TRENDS: A 2% - 3% drop in Net Employment Outlook was reported across global markets (except Europe)*
- *The Net Employment Outlook for India drops 3% to 92%, for the October-March, 2018-19 HY, as compared to 95% for the preceding half-year (April-September 2018)*
- *Mid-level hiring sentiment [+3%] is the one saving grace as Entry-level hiring sentiment falls by a substantial 5%, Junior-level falls by 3% and Senior-level falls by 4%.*
- *Metro and tier-1 cities report a 2% drop in outlook, while Tier-2 cities report a 1% drop, Tier-3 cities a 1% increase and rural areas report no change.*
- *Sales and Office Services report significant increase in hiring sentiment [+3% each] and Blue Collar reports 1% increase, while Marketing [-4%], IT [-3%], Engineering and Human Resources [-2% each] report decrease in hiring sentiment.*
- *The outlook improves significantly in Pune and Hyderabad (+3%) followed by Delhi and Chennai (+2%). While the sentiment is slightly gone below in Ahmedabad and Mumbai (-2%), Kolkata (-1%) and Bangalore (-1%).*
- *The silver lining is a clutch of clusters that show promise for the HY*
 - *Power and Energy (+4%) hiring in Chennai (+3%)*
 - *Financial Services (+3%) hiring in Mumbai, Kolkata and Bangalore (+4 each), Hyderabad, Bangalore and Chennai (+3% each)*
 - *Media & Entertainment (+3%) hiring in Bangalore (+5%) and Delhi, Hyderabad and Pune (+4% each)*
 - *E-commerce & Tech Start-ups (+2%) in Ahmedabad (+5%), Bangalore, Kolkata and Hyderabad (+4% each)*
- *Attrition Trends (April- September 2018)*
 - *8 of the 19 sectors witnessed significantly higher attrition during the last HY (April-September, 2018-19) as compared with the last FY (April – March, 2017-18).*
 - *For 7 other sectors attrition rates dropped significantly during the previous HY (April-September, 2018-19) as compared with the last FY (April – March, 2017-18).*
- *Job growth (Sector wise for HY-2)*
 - (Top 3 Sectors)*
 - *Job growth in Knowledge Process Outsourcing has risen to 15.37% with a job creation estimate of 19,250*
 - *Job growth in Retail has risen to 14.68% and the sector will create an estimate of 1.55 lac jobs*
 - *Job growth in Power & Energy has risen to 13.16% and the sector will create an estimate of 33,100 jobs*
 - (Bottom 3 Sectors)*
 - *Job growth in Telecommunication has risen to 6.82% and the sector will create an estimate of 31,200 jobs*
 - *Job growth in Construction & Real Estate has risen to 6.36% and the sector will create an estimate of 59,975 jobs*
 - *Job growth in BPO / ITeS has risen to 7.24% and the sector will create an estimate of 15,650 jobs*

- *Job growth city-wise outlook statistics*
 - *(Top 3 cities)*
 - *Mumbai - Job Growth: 11.27%, New Job creation: 1.66 Lacs*
 - *Hyderabad- Job growth: 11.81%, New job creation: 96,000*
 - *Delhi - Job Growth: 11.72%, New Job Creation: 1.55 lac*
 - *(Bottom 3 cities)*
 - *Bengaluru- Job Growth: 13.64%, New Job Creation: 1.52 lac*
 - *Chennai - Job Growth: 12.88%, New Job Creation: 1.03 lac*
 - *Pune- Job Growth: 13.74%, New Job Creation: 1.02 lac*

- *Estimates of Net New Job Creation across sectors: (Figure of cities with Highest demand)*
 - *Agriculture & Agrochemicals- 4,700 net new jobs in Mumbai*
 - *BPO/ITeS- 2,600 net new jobs in Gurgaon*
 - *Construction & real estate- 9,800 net new jobs in Mumbai*
 - *Ecommerce & Technology Start-ups- 10,200 net new jobs in Bangalore*
 - *Educational Services- 23,100 net new jobs in Bangalore*
 - *Fast Moving Consumer Goods & Durables- 14,200 net new jobs in Mumbai*
 - *Financial Services- 6,800 net new jobs in Bangalore*
 - *Health & Pharmaceuticals- 6,900 net new jobs in Mumbai*
 - *Information Technology- 5300 net new jobs in Mumbai*
 - *Manufacturing, Engineering & Infrastructure- 8,800 net new jobs in Pune*
 - *Media & Entertainment- 8,600 net new jobs in Delhi*
 - *Power & Energy- 4,100 net new jobs in Mumbai*
 - *Retail- 25,950 net new jobs in Delhi*
 - *Telecommunications- 4,100 net new jobs in Bangalore*
 - *Travel & Hospitality- 7,200 net new jobs in Delhi*
 - *Consulting- 4,550 net new jobs in Bangalore*
 - *Logistics- 29,700 net new jobs in Mumbai*
 - *Marketing & Advertising- 7,100 net new jobs in Mumbai*

- *Top sectors (by city) in terms of employment outlook growth:-*
 - *Bangalore: Media & Entertainment [+5%] | Financial Services, Ecommerce & Tech Start-ups [+4% each] | Retail, BPO / ITeS, KPO [+3% each]*
 - *Delhi: Media & Entertainment, BPO / ITeS (4% each) | KPO, Construction & Real Estate, Retail [+3% each]*
 - *Hyderabad: FMCG/D, Ecommerce & Tech Start-ups, Media & Entertainment [+4% each] | Financial Services, Retail, KPO [+3% each]*
 - *Mumbai: Financial Services [+4%] | KPO, Construction & Real Estate, Ecommerce & Tech Start-ups, FMCG/D [+3% each]*

- *Top sectors (by city) in terms of Net New Job Creation:-*
 - *Bangalore: Educational Services [23,100] | Retail [21,400] | Logistics [14,700]*
 - *Delhi: Logistics [26,900] | Retail [25,950] | Educational Services [16,800]*
 - *Hyderabad: Retail [14,800] |Fast Moving Consumer Goods & Durables [8,800] | Educational Services [8,100]*
 - *Kolkata: Retail [10,900] | Logistics [9,600] | Educational Services [6,600]*
 - *Mumbai: Logistics [29,700] | Educational Services [16,200] | Retail [16,100]*

- *FRESH GRADUATE HIRING: Fresher hiring across the 19 sectors and Tier-1 cities (Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Kolkata, Mumbai and Pune) are likely to be nearly 16.3% of all net new jobs created. The leading city-sectors are –*

- *Retail-Delhi [7,270 jobs], Educational Services-Bangalore [6,470 jobs], Retail-Chennai [5,240 jobs], Retail-Bangalore [4,710 jobs], Educational Services-Mumbai [4,050 jobs], Educational Services-Pune [3,720 jobs]*

Speaking about the report, Ms. Rituparna Chakraborty, Co-Founder & Executive Vice President, TeamLease Services, said, "Despite the growing GDP there has been a slight dip in the employment outlook in the next half year. However, sectors such as Power and Energy (+4%) and Financial Services (+3%) which have shown a surge in the employment outlook are a relief. In fact tier 3 cities which have shown improvement in the employment outlook is a testament that new avenues and job markets are opening up across India and therefore many opportunities will follow in the next half year. We are glad to report that the hiring of fresh graduates across sectors and cities is likely to be nearly 16.3% of all net new jobs created during the April-September, 2018-19 half year. These factors will definitely boost the confidence of the job seekers even though there is a minor plunge in the outlook."

The report also highlights the attrition rate for from April- September 2018-19. 8 of the 19 sectors witnessed significantly higher attrition during the last HY (April-September, 2018-19) as compared with the last FY (April – March, 2017-18. For 7 other sectors attrition rates dropped significantly during the previous HY. The attrition rates are significantly higher for Educational Services, Media & Entertainment, Retail and Telecommunication, and fall for Agriculture & Agrochemicals and Financial Services. Among the newly introduced sectors Logistics witnessed a considerably high, 16.55%, attrition rate for the April-September, 2018-19 HY

An in depth survey was also done across sectors and cities on the job demand estimates, net new job creation and jobs created to compensate for attrition. For instance FMCG sector in Mumbai will create 15,500 jobs of which 14,200 will be net new job creation and 13300 jobs will be created to compensate for attrition. It also estimates the new job creation for fresh graduates: FMCG sector will create 3980 new jobs in Mumbai.

TeamLease Employment Outlook Report is a comprehensive study that brings forth the important employment and business trends that will play a significant role in determining how job creation and hiring pans out in India and the global market over the next six months. The report serves as a reference manual to corporate houses to understand the employment trend in the present market scenario in major cities across the country and the World.

About TeamLease Services Pvt. Ltd

TeamLease Services established in 2002, is one of India's leading human resource service companies in the organized segment. A Fortune India 500 company listed on both NSE & BSE markets, TeamLease has a presence in 8 locations, with over 2500+ clients and 1900 employees across the country. It is a one-stop provider of human resources services to various industries and diverse functional roles, offering staffing, payroll processing, recruitment, compliance and training services. TeamLease set in motion the larger company mission of 'Putting India to Work' by focusing on its vision of 3 E's – Employment, Employability and Education.

The Company in partnership with the Government of Gujarat set up TeamLease Skills University (TLSU), India's first vocational university, at Vadodara. In FY2015, TeamLease rolled out NETAP (National Employability through Apprenticeship Program) to provide on-the-job training to apprentices. The company at present has over 170,000 associates/trainees spread across the country and has till date given employment to 1.7+ million people with an aim to hire millions more.