

NO PINK SLIP

But Hiring Under Scrutiny

Times may seem challenging but the employment scenario in the Indian electronics industry is not as gloomy as in the rest of the world

■ SUDESHNA DAS

Job seekers in the Indian electronics industry can heave a sigh of relief. A steady recruitment trend is predicted for the near future, based on the insight gained from last month's salary survey by EFY research bureau. Although the pink slip syndrome is increasingly evident in most industries—prominent among them being financial services, retail and aviation—it's not widespread in the electronics industry so far.

The net employment outlook (the difference between the percentage of respondents reporting an increase in hiring and those expecting a decline) stands at 18 per cent for the next three months of 2009. In the worst-case scenario, some firms have resorted to a hiring freeze. And that in itself was a significant step in this industry,

as companies were piling up resources at all levels till as late as the third quarter of 2008.

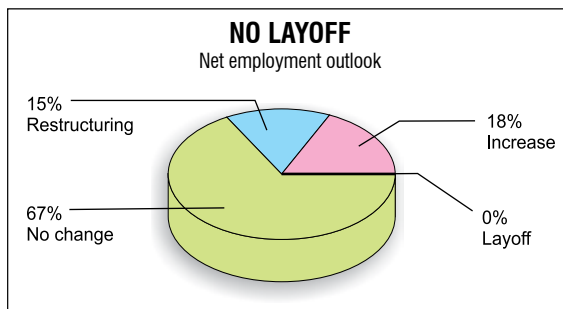
A sizable domestic demand and a savings-based economy of the country help position electronics as one of the few industries poised for moderate staffing growth in 2009 in spite of the global slowdown.

No hire-and-fire

Electronics firms in India primarily do not believe in the hire-and-fire policy. None of the interviewed companies had retrenchment in mind. Around 15 per cent of respondents planned to re-structure their organisation and re-deploy the existing staff. They intended to achieve this by building multi-tasking skills among their workforce.

Firms typically use the following filters while planning restructuring:

1. Is the role required any longer? Restructuring often results in some roles becoming redundant and not required any more.
2. Is the current employee the best fit for the role? As profiles often change after revamp, existing personnel may not be the best fit for the role.
3. Has the employee performance been up to the mark?

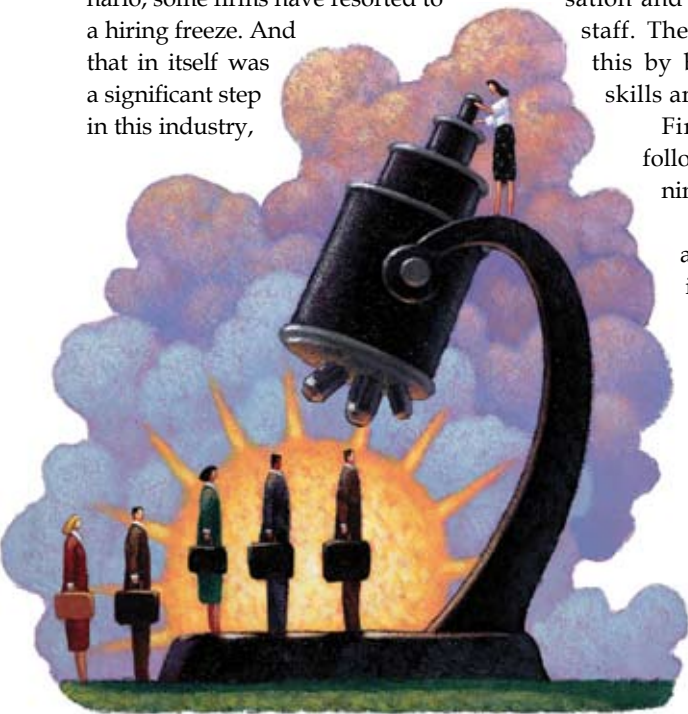


A sagging economy can be a good time for the management to deal with performance problems.

Restructuring rarely affects talented and hardworking employees. It is vital, however, that companies identify high-performing employees as they are an asset to the firm and of immense value not only in surviving the downturn but also in pushing the firm to greater heights when the economy picks up again. Hiring new staff and subsequent training is also time-intensive. Firms that plan ahead their workforce requirement can gain a competitive advantage over their peers when the economy picks up in the future.

"The corporate environment has become competitive and employees are the sole differentiating factor that separates a good organisation from an average one"—opines Parag Mehta, managing director of Relaytronics.

The recession not only aids in sifting grain from chaff in terms of employee quality but can also serve the same purpose with respect to employers as well. This, no doubt, affects the image of the firm as well. A stable company in a recession indicates efficient internal processes and a clear vision concerning the road ahead. When



times are good, it's hard to tell whether the sock puppets selling pet food on the Internet are truly a good idea or just lucky for a little while.

Uneven hiring pattern across sectors

The probability of hiring among all the sectors of the Indian electronics industry follows a Gaussian pattern rather than a flat one. While most of them are staggering from the effects of the economic slowdown, power electronics and telecom are the one's showing considerable promise of growth. As these sectors strive for growth and expansion, their manpower needs also increase simultaneously.

The steady rise of the power electronics sector can be attributed to the ever-present need for infrastructure. As corporate majors look to cut costs and increase productivity, the one way they are likely to achieve this is through introduction of cost-effective power electronics solutions.

The telecom sector, on the other hand, owes its expansion more to aggressive marketing and falling tariff leading to cut-throat competition. Further scope of expansion exists as the major players in the sector begin to enter the hitherto untapped rural market and wireless broadband service.

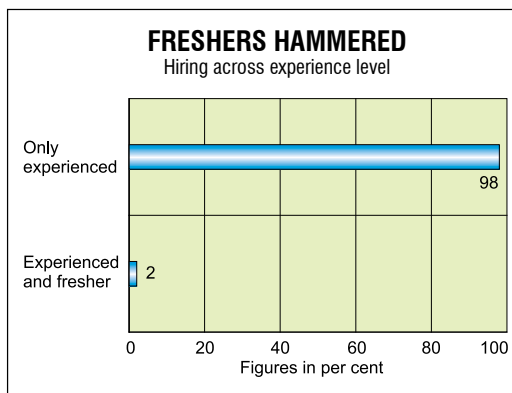
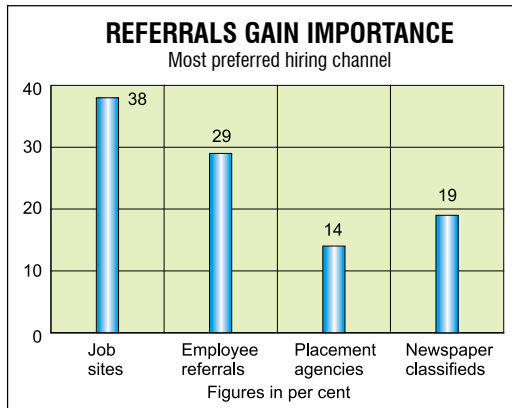
It is worth noting that trading houses are at the lowest end of the hiring curve.

More skills in demand

More and more firms seem inclined to 'poach' experienced professionals rather than do the hard work of training and grooming freshers.

"Although the telecom industry is booming and creating a lot of opportunities, considering the economic slowdown, companies would prefer to go with experienced hands," says Pius Maria Prasad, director-human resource, Huawei Technologies India.

However, firms are more inclined to invest time and resource in training their existing workforce. Around 73 per cent of the firms surveyed were



prioritising investment in training of middle- and higher-level management as a means of future-proofing their business against global competition. This approach helps to strengthen sector-specific expertise in the long term and even encourage companies to consider collaboration with relevant academic partners.

Very few firms tend to hire freshers, with most such as Cadence Design Systems providing free internship at best. So what should the freshers do if they haven't been hired as yet? Ideally, they should have a more practical approach. Working for unpaid projects could be a wise option to showcase their talent. It may come in handy when things turn around.

Further, the "doing more with less" policy is evident as companies raise the bar of expectation. New-age employers prefer to conceive a prospective employee as a complete package endowed with more than one specific skill. Employees at middle level are required to

take up more responsibilities in ensuring timeliness, quality and process adherence of their deliverables. They now need to show value-additions in their work.

Companies are also finding it necessary to attract niche skills. In the field of R&D especially, while hiring of candidates with mere generic skills will reduce considerably, people with additional niche skills will remain in demand. The more the qualifications you have, the more the opportunities you can grab for yourself.

There are demands from the professionals as well. Apart from the usual expectations pertaining to remuneration, there is also the demand in some quarters, especially from design engineers, for a flexible work environment. Alternative work schedules or flexi work timings seem to

be the primary demand along with compressed hours of the week – work for the same hours in lesser number of days.

Vacancies being reviewed

The usual channels of recruitment remain the mainstay of the industry. On-line recruitment sites were the most popular with at least 38 per cent of respondents going for the popular job sites. Newspaper classifieds and headhunters were also common sources with most firms, while employee referrals turned out to be a significant source among SMEs.

The companies, though, are going ahead with their plans to maintain a sizable workforce that's needed to run their operations. But one change in hiring strategy is evident. While there is no blanket freeze on order, every vacancy is being reviewed for its immediate justification. ●

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