

## “TREND ANALYSIS OF IT WORKFORCE WITH SPECIAL REFERENCE TO RANDSTAD- WORK MONITOR SURVEY REPORT”

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### ABSTRACT

The objective of the current study is to present the IT Sector work force trend analysis with special reference to Randstad- Work Monitor Survey Report. The data was taken from the reports of Randstad - world's second largest recruitment firm which is having its operations internationally. The analysis is confined to secondary data i.e., the reports of Randstad from 2012 to 2016. The finding from the study says that in the year 2012 the unemployment is not the situation in IT sector but it is with the lack of employability skills in the workforce is leading to unemployment. Hence the HR managers of IT firms in the year 2013 started focusing on training and developing the skills required for their human resources so as to make them more resourceful which in turn reduces the unemployability. Later on in the year 2014 the trend has changed where the jobseekers entered the firms with sufficient employability skills and were able to meet the expectations of the industry. So the focus has turned to fitting the best. However in such scenario the jobseekers started expecting fat pay package along with substantial growth in salary. This trend did not last for longer again in the year 2016 the trend has come to area where the firms are experiencing the talent crunch.

**Key Words :** Workforce, IT employees, Trend, Un-employment, Employment, Talent pool, Work Monitor.

### INTRODUCTION

Indian Economy has slowly taking a breath from its crises and expectation was optimistic. According to the recent press report from Economic Times, Indian Information Technology (IT) firms faced a challenging time in providing the employment opportunities because of the impact of economy slow down. For the same, most of the IT firms had taken a decision to go for a functional based recruitment process to trim the employee count.

Corporate world is now facing challenges to find the right talent and there is no denial about it. With the economy showing signs of growth, coupled with proactive reforms, the situation will accentuate further. If businesses have to shape their world of work with the right talent, they have to strengthen their Training & Development function, Economic climate, and also their Workforce. To enlighten the business world with the trend flow of workforce in IT sectors, Randstad- Recruitment

Firm has initiated the work monitor to bring out the facts. This paper significantly concentrates to study the flow of trend analysis of IT sector workforce with special reference to Randstad –Work Monitor Survey Report.

### **Work Force**

According to Business dictionary, Work Force is defined as the labor pool in employment. Work Force management ensures that the right talent is deputed to the right jobs in order to meet their business objectives.

## **Objective of the study**

- The main objective of the study is to present the IT Sector work force trend analysis with special reference to Randstad- Work Monitor Survey Report.

### **Research Methodology**

The current paper data has taken from the reports of Randstad - world's second largest recruitment firm which is having its operations internationally. The analysis is confined to secondary data i.e., the reports of Randstad from 2012 to 2016. Apart from Randstad reports data was collected from other sources like Economic Times Report, Bureau of Labor Statistics.

### **About Randstad- Recruitment firm:**

Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. *Randstad HR Services* has launched the *Randstad Work Monitor* in 2003, and now covers 32 countries around the world, encompassing Europe, Asia Pacific and the Americas.

It aims at a scientific understanding of 'employees' intent to change jobs, few other aspects such as opinions about qualification and job match, finding qualified / right employees, availability of highly qualified and less qualified staff, employers' interest in employees training needs and career opportunities. Each study was conducted through surveys in a Quarter based (4 Quarters) and also it is oriented towards creating the best solutions for the business people in pooling the potential candidate and making the right talent to meet the business objectives or career goals.

As on 2011, Randstad had approximately 28,700 corporate employees and around 4,700 branches and in-house locations in 40 countries around the world. Randstad generated revenue of € 16.2 billion.

### **Trend Analysis of IT Sector Workforce**

#### **2012:**

As the country has entered into the trillion dollar economy and continuing to be in the ascending economic trajectory, we are concerned about the rising unemployment and illiteracy.

The problem presently being faced in the job market is not scarcity of jobs but scarcity of talent. ***It is a problem of un-employability not unemployment.***

According to India Labor Report 2012, fifty three percent (53%) of employed youth suffered some degree of skill deprivation while only eight percent of youth were unemployed. Remaining fifty seven percent (57%) suffered some degree of un-employability.

In the past, we had unemployment where applicants had the *eligibility, suitability and capability* towards jobs but unfortunately there were not many employment opportunities. After the *liberation, privatization and globalization*, the industrial climate in India had drastically changed for better and fortunately there are ample employment opportunities in India. But the problem prevailing now is of unemployability where people have eligibility not having suitability and capability despite availability of employment opportunities. It is like having everything on the platter in front of you but not able to eat. It is also like having plenty of water in the ocean but the applicants are not in a position to drink due to talent crunch.

#### **Statistics of unemployable rate in Indian- a project report submitted by Randstad India- Work Monitor- Q3 Survey**

- There was an *Unemployable shortfall of 500,000 employees* for IT / ITES sectors by 2012
- India produces *360,000 engineering graduates and 600,000 graduates* in Arts/Science/Commerce. Out of that *25% of engineering graduates and 10% of other graduates are “employable”, the rest 65% falls under the “unemployable”*.
- 5000 persons are registered for Ph. Ds in science and engineering but only 100 persons complete them successfully every year, this lacks with research skills.

#### ***Research Methodology done by Randstad India-Work Monitor- Q3 survey project.***

Randstad India- Work Monitor- Q3 survey project conducted the quantitative study which is conducted via an online questionnaire among a population aged 18-65, working a minimum of 24 hours a week in a paid job (not self-employed). The minimal sample size is 400 interviews per country, using Survey Sampling International.

#### ***Randstad India- Work Monitor- Q3 Survey- Project report- 2012.***

### **1. Demand- Supply gap: A Perennial Challenge for HR**

The demand- supply gap in the workforce started to widen rapidly during the liberalized economy and this war for talent has intensified further. With no sign of abatement, “Talent Availability” has become a perennial challenge for organizations and HR teams to tackle and is not limited to any specific sector.

The reasons are manifold for this increasing demand. In this competitive environment, companies are looking at moving up the value chain to cater to their global clientele. Also, with recent reforms, many global companies especially retail giants have shown intent to increase their footprint in India. This adds to the demand for talent across highly qualified and low skilled resources (Vocational, Trade, Functional skills).

***Troubled in finding highly qualified and low skilled resources- Statistics***

- *Highly qualified resources: 65% (per country)  
48% (world average)*
- *Low skilled resources: 54% (per country)  
27% (world average)*

**2. Increasing the Talent Pool: Focusing on Training and Education**

To overcome this challenge, businesses are investing more on Training & Education. In India, three quarters of employers invest sufficiently in additional training and education (average 54%). The same proportion of employees says their employer offers sufficient career opportunities.

***Employer invests sufficient Training & Education- Statistics***

- *Per country- 75%*
- *World average- 54%*

***By Age- Statistics***

- *18-24 years- 72%*
- *25-34 years- 79%*
- *35-44 years- 75%*
- *45-54 years- 78%*
- *55-64 years- 51%*

**3. Right Talent in Right Place**

In India, though there is a strong correlation between employees “*field of study*” and “*their job*”. More than half of employees (55%) feel they are overqualified and one third is under- qualified for their current jobs.

Six out of ten employees see others working below their level of education. Up to 68% see many colleagues working above their education level (44% average).

If this continues in the coming years, there is a looming threat of companies having dissatisfied employees.

***People’s job is a good match with education in terms of field of study- Statistics***

- *Per country- 82%*
- *World average- 68%*

***At Employer- people’s job is a good match with educational field (subject degree) - Statistics***

- *Per country- 80%*
- *World average- 65%*

**2013:**

As per the Randstad Work monitor Survey 2013 - the workforce in Asian countries is most optimistic about the current economic situation. Many employees who responded to the survey said they received a pay hike. Around 80 % of the respondents having received a pay hike while the world average was only 55 %.

Nine out of 10 employees in Asian Countries, across all income groups, are positive about a pay hike in 2013.

The quarterly review tracked job seeker confidence and provided trends relating to the employment market covering Asian countries.

There was a high level of optimism with regard to economic climate in comparison to the world average of around 40% and 90% of Indian employees feel that their organization was in good financial health against the world average of 72%.

Over 85% of employees have also stated that their workload had increased significantly by the end of 2012 and over 90% have indicated a preference towards better work-life balance in 2013.

This survey result is an opportunity for the managers and human resource professionals to target new initiatives and drives to boost morale and productivity.

**2014:**

The optimistic sentiment that 2014 will be a year of turnaround has been in the air for some time and this survey is a reinforcement of that outlook. With the sentiments of the market looking positive, it is anticipated that employees will expect a better hike in their salary than compared to the last couple of years. These demands could have an impact on the attrition rate. So, companies must start focusing on building strong HR practices that will not only address employee salary expectations but also focus on necessary training programmes and offer great career opportunities. This will help organisations to stay ahead of the race and capitalize on industry growth.

The 2014 Randstad Work monitor Survey quarterly report says that in the corporate India, middle and senior level managers are more optimistic about the economic situation and added to that the report confirms that there is an increase in jobseekers confidence and presents a comprehensive understanding of job market sentiment and trends relating to the employment market.

The survey indicates that 84% of the respondents are hopeful about the economic situation in 2014 and 86% are expecting a higher pay raise in comparison to previous year.

*The survey also reveals that 90% (men) and 93% (women) respondents had taken necessary steps to develop their skills and competencies in 2013.*

80% of the respondents hold the view that their employer played an important role in their development by providing opportunities to grow their talent. However the 2015 report did not focus on workforce trend but again in 2016 the following facts related to workforce were presented.

**2016:**

Organizations in IT Sector anticipate attracting the best talent with critical skills, retaining them and enhancing workforce productivity are the top three human resource challenges ahead in the year 2016. The Survey Team named its 2016 report as HR Game Changers. The findings of this survey are based on the feedback and outlook of almost 500 prominent HR leaders from India's most admired companies across industry verticals.

The survey report says that 54% of the respondents opined that there is a new war for talent which could lead to serious impediment to the IT sectors.

The HR Game Changers survey findings also offers an overview of the top 13 workplace trends that are likely to define HR landscape in India for the year 2016. According to the survey results, a majority of HR leaders in India feel that HR 'needs' to be aligned with Business and ranked this as the top HR Game Changer for 2016.

Apart from the above mentioned facts and figures the report emphasized that the following would be top 5 HR Game Changers that are expected to prevail in 2016.

- **HR 'needs' to be aligned with Business**

40% of the HR leaders surveyed in India ranked greater alignment of HR with Business as the top HR Game Changer of 2016. The respondents feel that this is the need of the hour and also agree that over the years, HR has progressed from being a mere support function towards playing a more strategic role of being the 'business partner'. The respondents mentioned that HR and business cannot function in silos as the end objective is common for both. They also feel that for HR to earn a seat at the C-suite table and to add value to the organization, they need to be receptive to the dynamic business environment and speak 'business'. This, the respondents said is of paramount importance for the success of any organization.

- **Multi-generational workforce management**

According to 35% of the HR leaders surveyed in India, managing the expectations and aspirations of a multi-generational workforce is the second most important HR Game Changer of 2016. The survey respondents feel that specific strategies geared towards different generations are critical to optimize organizational cohesion. A vast majority of the respondents also mentioned that today's multi-generational workforce come with significantly diverse needs and demands pertaining to communication, use of technology, expectations from the employer etc. and meeting their aspirations and expectations is directly linked to top talent retention as well.

- **Innovation and risk-taking culture to become prevalent**

34% of the survey respondents mentioned that fostering a culture that empowers employees to take risks and drive innovation is going to be the third biggest HR Game Changer of 2016. Majority of the survey respondents felt that for organizations to create the desired market impact and to differentiate itself from the competitors, it has become vital for HR to drive a culture of innovation and risk preparedness within the organizational talent framework, especially in context of the start-up boom

flourishing in the country. The respondents also mentioned that fostering such a culture will also help organizations build a 'smart workforce' who are engaged and inspired to go the extra mile and outperform.

- **Nurturing and developing leaders is a necessity**

34% of HR leaders surveyed said building a leadership pipeline is an imperative and ranked this as the fourth biggest HR Game Changer of 2016. The respondents felt that internal succession planning and cultivation of a sustainable talent pipeline of future leaders at all levels is a key competitive advantage for organizations and this will aid effective change management as well.

- **Evolution of Performance Management systems imminent**

28% of HR leaders surveyed in India said that Performance Management systems will undergo a significant & structural change and ranked this as the fifth most important HR Game Changer of 2016. A majority of the survey respondents felt that of late, with top companies announcing their intent to shift away from the bell-curve based performance appraisal system, this topic has come back into the limelight. Going forward, performance management systems might undergo a complete overhaul and evolve into something more transparent. Examples of such evolution are 360 degree feedback, continuous performance management, task based assessment, open ranking systems etc.

## CONCLUSION

IT Firms in order to reach their business objectives rely on their work force and its efficient management by ensuring right talent doing right jobs. But finding right force and assigning right job is not an easy task as there is a gap in the requirement of work force and its availability. The finding from the study says that in the year 2012 the unemployment is not the situation in IT sector but it is with the lack of employability skills in the workforce is leading to unemployment. Hence the HR managers of IT firms in the year 2013 started focusing on training and developing the skills required for their human resources so as to make them more resourceful which in turn reduces the unemployability. Later on in the year 2014 the trend has changed where the jobseekers entered the firms with sufficient employability skills and were able to meet the expectations of the industry. So the focus has turned to fitting the best. However in such scenario the jobseekers started expecting fat pay package along with substantial growth in salary. This trend did not last for longer again in the year 2016 the trend has come to area where the firms are experiencing the talent crunch.

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