

Indian Recruitment Industry Analysis [2012-17]



Executive Summary

Human resource is the most precious resource for any organization. Recruitment of right person on the board of a company is indispensable for success of the organization. Human resources solution providers consist of dedicated team of experts which provides its clients with workforce solutions like hiring right candidate (temporary and permanent nature) to streamline the human resource processes at the clients end. Staffing industry works in an increasingly dynamic business environment today and has seen utmost transition in recent years. It has emerged its status from only “replacing absentee workers” to become “strategic partner” for its clients by providing entire gamut of employment solutions like providing corporate training, pay-roll processing, recruitment process outsourcing, etc.

The staffing industry in India is highly fragmented and provides services in varied streams such as Finance, Sales, Engineering, Information Technology and Management. Recent developments on the economic front like opening up of various segments like retails, aviation, etc. for FDI is also a boost for the segment as this will lead to increase in hiring activity. Growth economics shown by India has also attracted large MNCs to set their foot in the nation and ride the growth tide.

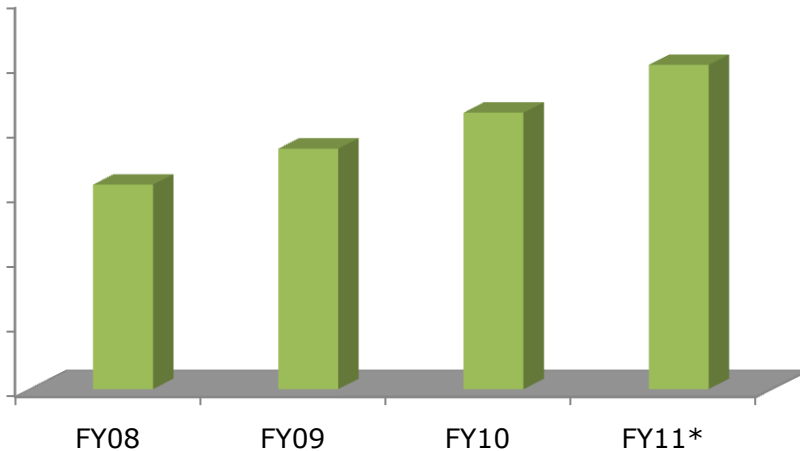
The recruitment industry in itself plays a vital role in the economic development of the countries worldwide as it positively affects efficiency of client’s activities by taking care of its non-core HR activities and providing it with right manpower. It helps organizations in finding right people, for the right positions at the right time and location.

With increasing competition in the landscape the importance of this industry has increased manifold. Like any other industry, staffing industry is also not immune to changes taking place in external environment. Recruitment activity slows down in the case of slow economic growth. Some of the challenges that the industry faces are discrepancies due to absence of regulatory body and the industry being primarily unorganized.

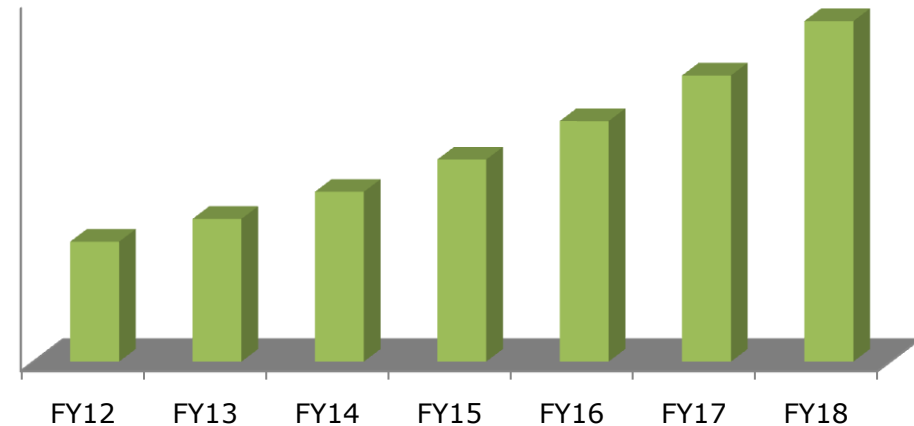
HR Solutions Industry : Overview

Man power recruitment or supply agency includes any person engaged in providing any service, directly or indirectly, in any manner for recruitment or supply of manpower, temporarily or otherwise, to any other person.

Market Size of HR Solutions Industry in India, FY08-FY11 (US\$ Billion)

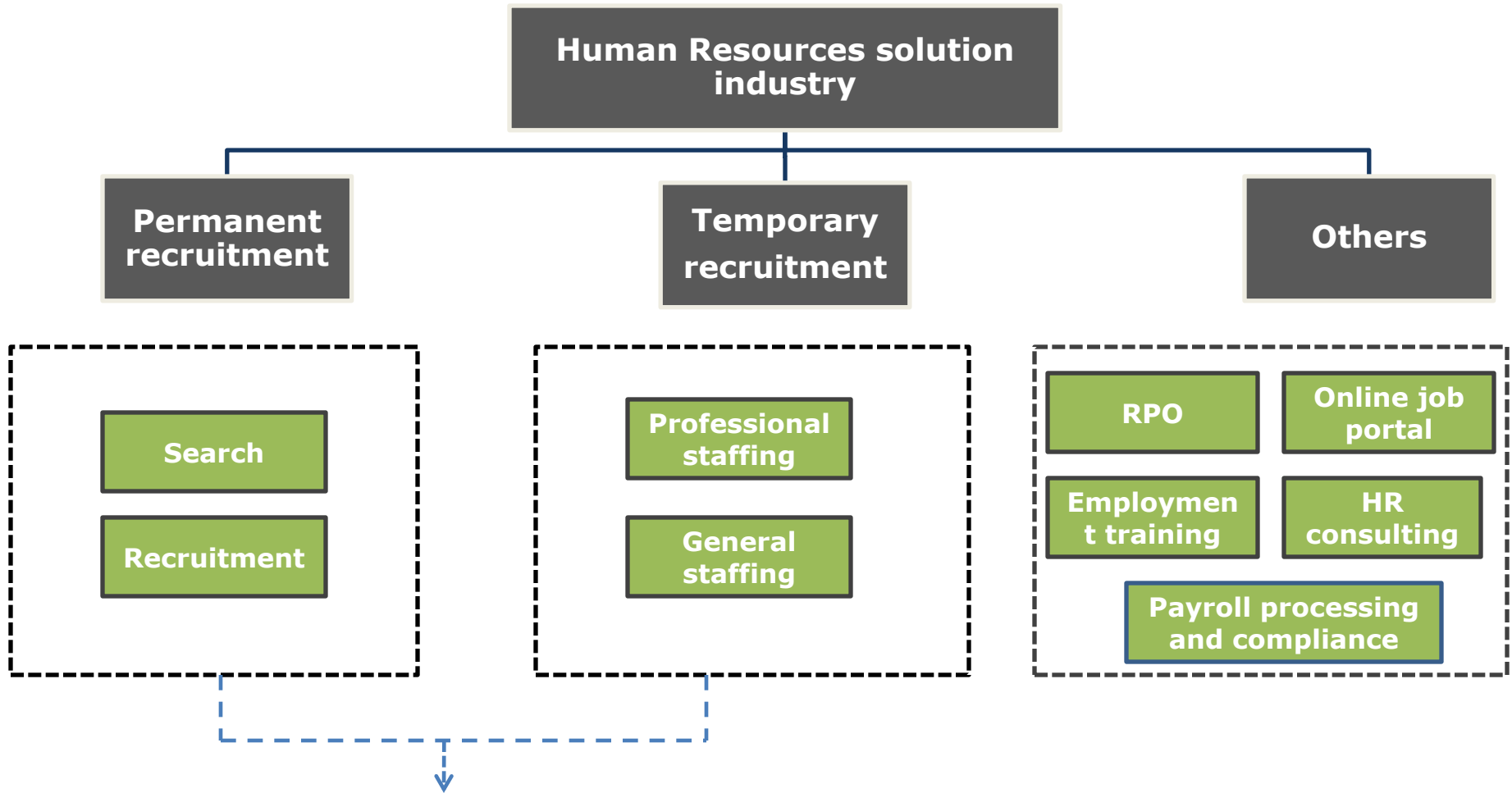


HR Solutions Industry in India, Market Size Forecast, By Value, FY12-FY18 (US\$ Billion)



- The industry grew at a CAGR of% during the period FY08-FY11.
- Market size of HR solutions industry in FY18 is expected to reach to US\$ billion from US\$ billion in FY12 by growing at a CAGR of.....%.
- Growth in the industry is attributed to shift towards

HR Solutions Industry Structure



- Permanent recruitment and temporary recruitment accounts forof the total market
- Latter accounts forof the market as it comprises of hefty salary costs

Market Trends

Rise in Contract Hiring

- Cost savings on training as contract workers are on theparty staffing organization
- Small and medium-sized organizations, specifically from the IT industry, are employing temporary workers

Mergers and Acquisitions

- Increase in the trend of private equity transaction as a route of expansion among HR service providers.
- Many international players are foraying into the Indian market bydomestic companies to capture the market share.

Increasing Use of Social Media

- Use of social media channels (like linkedin, facebook, twitter) to screen potential hires as it offers recruiting managers a larger applicant pool.....

Rising Popularity of Recruitment Portals

- Recruitment portals have emerged as the most popular source for hiring resources, followed by references, and recruitment agencies

Outsourcing HR services

- RPO (recruitment process outsourcing) refers to outsourcing of recruitment process of organizations by transferring all or some part of the recruitment process to a third party
- Outsourcing of recruitment process helps to save organizations' recruitment costs up to 40%