

As Businesses Take a Hit So Does Attrition

Demonetisation Effect: Advantage employers as employees postpone plans of changing jobs

Sreeradha D Basu & Saumya Bhattacharya

Mumbai | New Delhi: Attrition levels across India Inc are likely to fall to their lowest in the past few years, as employees prefer to stay put in their current jobs amid a cautious sentiment induced by the cash crunch following demonetisation last month that has thrown businesses out of gear and led to a postponement of hiring plans.

With annual appraisals coming up, not many employees look to switch jobs at this time of the year in any case, experts said, but the number is likely to be lower still this time round because of fewer opportunities and therefore reduced bargaining power.

"Voluntary attrition will definitely go down," said Anandorup Ghose, partner at human resources consultancy Aon Hewitt India. "Last year it was around 16%; this year it may go down a few percentage points."

The compensation tracker had in its annual salary increase survey last year pegged attrition levels at a five-year low of 16.3%. Any further dip will spell at least a six-year low.

"There is an apparent apprehension among employees now in looking for jobs," said Ajit Isaac, chairman of business services provider Qness Corp.

S Venkatesh, president-group HR, RPG Enterprises, said, "People will stay put and hold onto their jobs until the negative sentiment blows over."

Besides demonetisation, Venkatesh said, another factor that is likely to keep employees from changing jobs is that the much-anticipated boom didn't quite materialise in the re-

Staying Put, For Now



With employees in wait-& watch mode, India Inc attrition levels likely to fall to their lowest point in the last few years

Headhunters and HR heads say there is apprehension among employees in looking for outside options

The lack of growth across most industries means they aren't hiring actively; business confidence isn't high

People's negotiating power while moving jobs has also gone down

Employees expected to stay put in current jobs till negative sentiment subsides



S VENKATESH
President-group HR, RPG Enterprises

People will stay put and hold onto their jobs until the negative sentiment blows over

cent past. "Fresher hiring has gone down for many companies; even at leadership levels, movements have slowed down," he said.

"It's a wait-and-watch for executives at C-levels, which is likely to last for at least a quarter," said Uday Chawla, managing partner at executive search firm Transearch India.

Managing and retaining talent has been

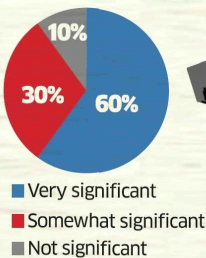
high on the agenda of HR departments across corporate India since the loss of good employees is believed to cost a company four to five times their salary. In that respect, it's advantage employers for the moment. "Attrition will definitely come down given the current macro environment," said a Philips spokesperson. "Everybody is aware that if increments aren't going to be great in their existing organisations, it won't be much better outside." Rituparna Chakraborty senior vice-president, TeamLease Services, said attrition is likely to be arrested in the short term. "Hiring is sluggish and people will bide their time before we see a turnaround — hopefully by the beginning of the new financial year," she said.

'60% Employers Say Soft Skills Essential for Hiring'

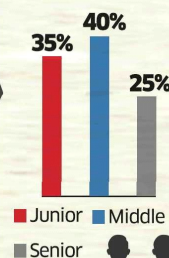
A recent survey, which has about 750 respondents, says 60% employers feel soft skills are very significant while hiring employees but of this, the majority (70%) find it extremely difficult to find these skills in potential employees, finds the TimesJobs survey

Source: TimesJobs.com

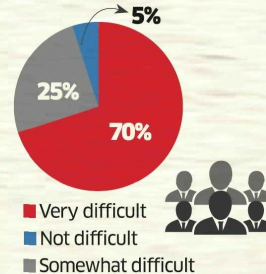
HOW SIGNIFICANT ARE SOFT SKILLS WHILE HIRING AN EMPLOYEE?



LEVEL SOFT SKILLS ARE MOST IMPORTANT



HOW DIFFICULT IS IT TO FIND THE DESIRED SOFT SKILLS?



WHICH SOFT SKILLS ARE MOST IMPORTANT

- 35% LISTENING
- 32% COMMUNICATION
- 30% CONFIDENCE
- 26% TEAM WORK
- 25% POSITIVE ATTITUDE
- 25% CREATIVITY
- 20% PERSUASION
- 18% FLEXIBILITY
- 15% ACTIVENESS/ALERTNESS
- 10% ACCOUNTABILITY

WILL YOU HIRE AN EMPLOYEE WHO HAS GOOD DOMAIN KNOWLEDGE BUT LACKS ON SOFT SKILLS? YES 10% NO 90%

