

SKILLS **REPORT** | **Q1FY24**

QUESS IT STAFFING

**Technology Skills Enabling
The Future Of Work**



A birds eye view of technology hiring in India

About The Report

TECHNOLOGY SKILLS ENABLING THE FUTURE OF WORK

presents an unparalleled look into the modern technology workforce in India. This report is based on data from Qness IT Staffing's operations which map demand and supply in our talent ecosystem. The findings speak to the evolving aggregate tech hiring demand and related insights to give leaders a clear understanding of what the talent market looks like. This report focuses on the quantum of demand in Q1FY2024.

ABOUT QNESS IT STAFFING

We are a people business integrated with technology, offering an array of IT staffing, recruitment, skilling, and managed solutions. As India's largest IT staffing company, we have built our expertise by servicing our clients, from Fortune 500 stalwarts to forward-thinking start-ups, for over 20 years by driving productivity with digitally enhanced solutions.



For more information about Qness Corp, please visit <https://quesscorp.com/>

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From the CEO's Desk



Observing the industry trends, it is evident that the road ahead poses both challenges and opportunities. While the fiscal first-quarter revenue for the top IT firms saw only a marginal increase in constant currency, I am mindful of the factors affecting this growth. The weakness in the BFSI sector and prevailing high interest rates in Europe and the US are indeed putting pressure on the results. Nevertheless, I am confident that strategic navigation and seizing opportunities will lead the industry to continued growth and success.

Amid macroeconomic headwinds affecting the US and Europe, the IT services sector faces a downward hiring trend of 25-30%. However, this situation has opened up new opportunities, with GCCs ramping up talent acquisition and projecting an estimated employee strength of 1.4 million today, likely to increase by 10%. Despite the challenges, Indian enterprises are projected to experience a 5-10% rise in recruitment in FY24, underlining their adaptability. Conversely, startups may see a muted reduction in hiring. Nevertheless, digital skills, generative AI, and data analytics remain in high demand, signaling exciting prospects for our skilled workforce. Additionally, roles in cybersecurity, cloud, and infrastructure maintain a steady, neutral momentum.

On the bright side, our nation is currently at the forefront of global technology advancements, benefiting from the best demographic play and a highly educated STEM Talent Pool. The Indian stock markets continue to outperform, reflecting the confidence of investors in our thriving tech sector. As we witness substantial infrastructure changes all around us, Foreign Institutional Investments (FIIs) are pouring funds into India, bolstering our economy.

With our resilience and determination, India's tech industry is well-positioned to overcome uncertainties and seize opportunities. Let us harness our innovation and collaborative spirit to drive the nation's technological advancement and lead the global tech landscape into a promising future.

A handwritten signature in black ink that reads "Vijay Sivaram". The signature is fluid and cursive, with a small flourish at the end.

VIJAY SIVARAM

Chief Executive Officer

Ques IT Staffing, Search & Recruitment

hiring?

hiring?

hiring?

hiring?

**Which skills
is the market**

hiring?

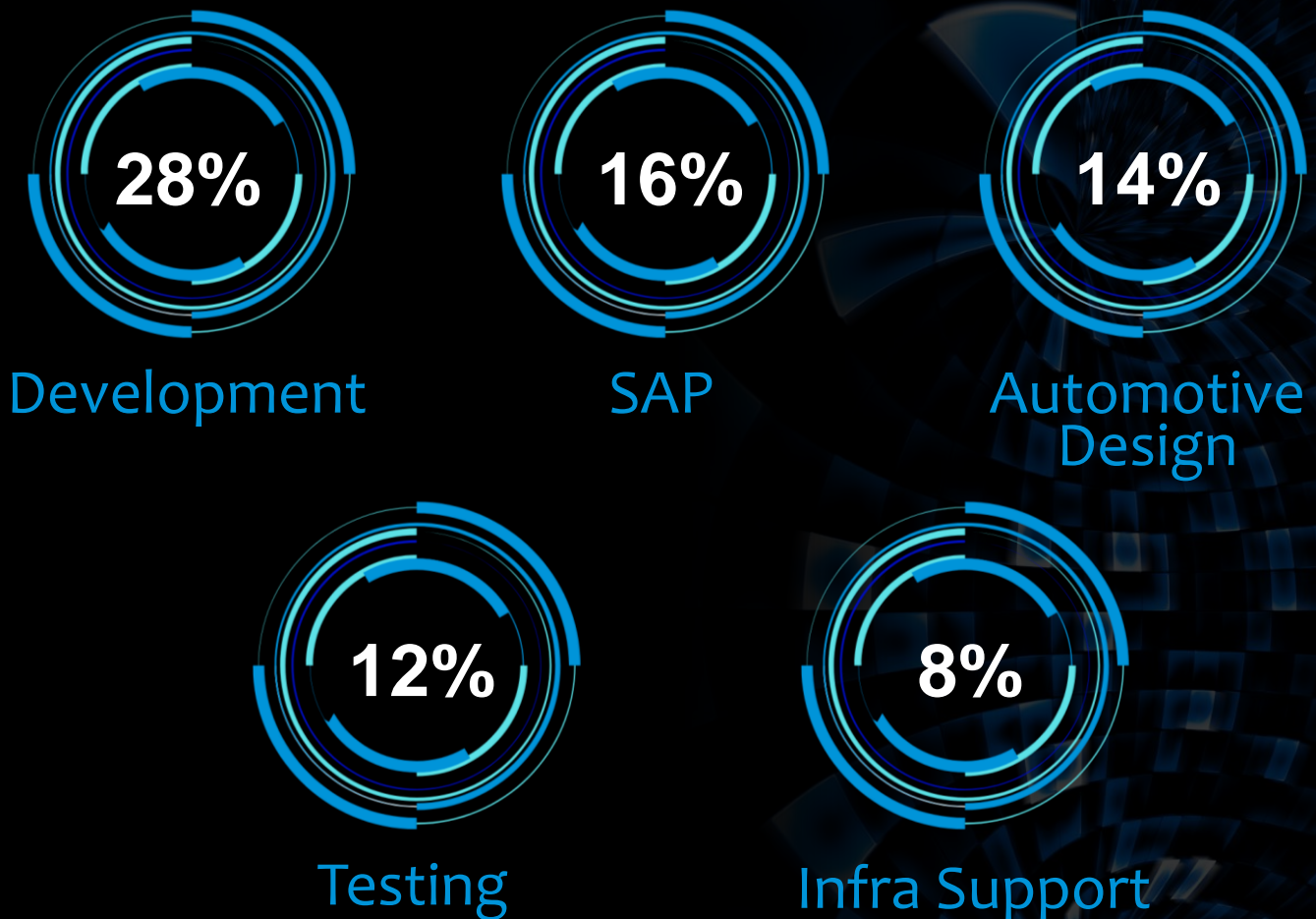
hiring?

hiring?

Leading Skill Suites

Overall Contribution of Functional Skills

Functional skill suites with the highest intent-to-hire in Q1FY24



The percentage indicates the contribution towards overall demand for Q1FY24 (AMJ).

78%

Aggregate demand emerged from the top 5 skill suites

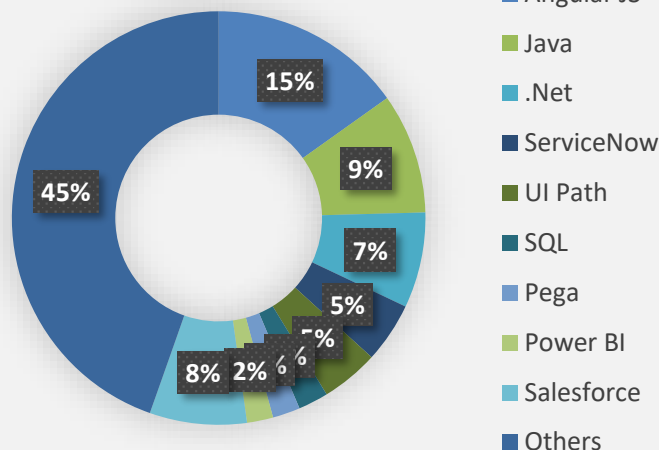
In addition to these functional skill suites, we also witnessed high demand for skills related to Data Science, DevOps, Cloud, ERP, Cyber Security, Artificial Intelligence and more.

Leading Skill Suites

Deep Dive into the Technical Skills

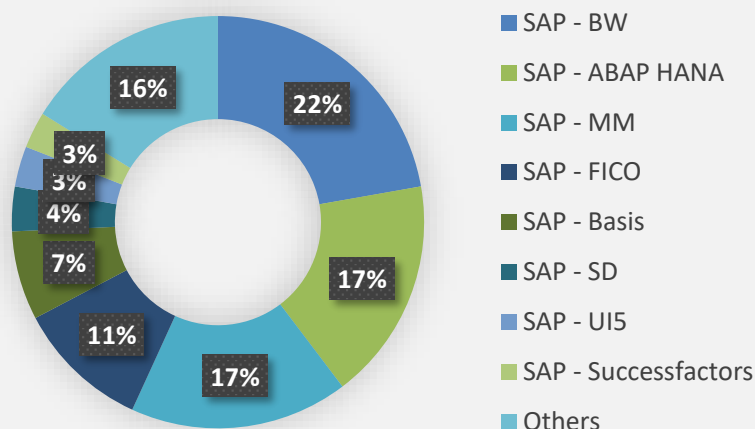
Development (28%)

In Q1FY24, a demand for developers skilled in over 65 technical proficiencies and platforms arose. Notably, Full Stack skills exhibited consistent and upwardly trending demand within the consulting, automotive, banking, and telecom sectors.



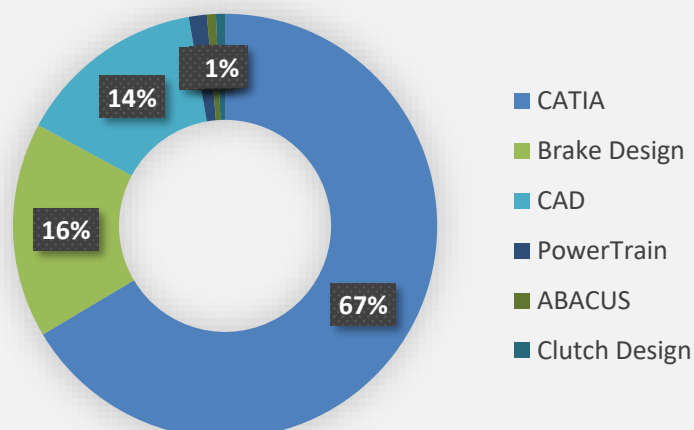
SAP (16%)

The demand for SAP expertise has consistently remained high, encompassing both development and implementation aspects. Notably, there has been a surge in demand for these proficiencies, particularly within the consulting and GCC client domains.



Automotive Design (14%)

The global and Indian automotive sectors are experiencing a surge in demand for talent. This growth is attributed to the increasing adoption of digitization and need for technologically adept skills. We have also noticed a talent shortage in the domain of electric vehicles (EVs).

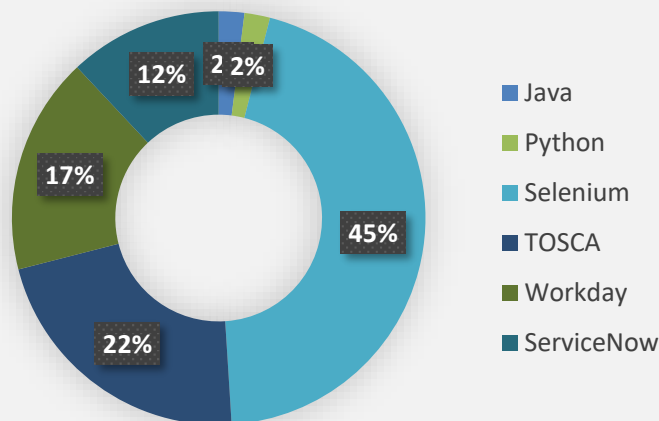


Leading Skill Suites

Deep Dive into the Technical Skills

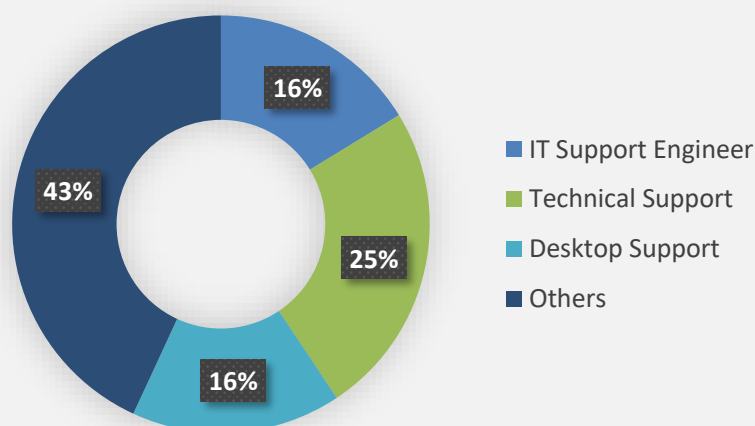
Testing (12%)

We've observed an increase in demand for testing skills in both manual and automated domains. Notably, there's a pronounced demand for proficiencies in Selenium, TOSCA, Workday, and ServiceNow.



Infra Support (8%)

The demand for IT infrastructure support skills remains consistent, encompassing both L1 and L2 support, spanning a diverse range of over 30 aspects. This demand is pervasive across various industries.



Other Skills

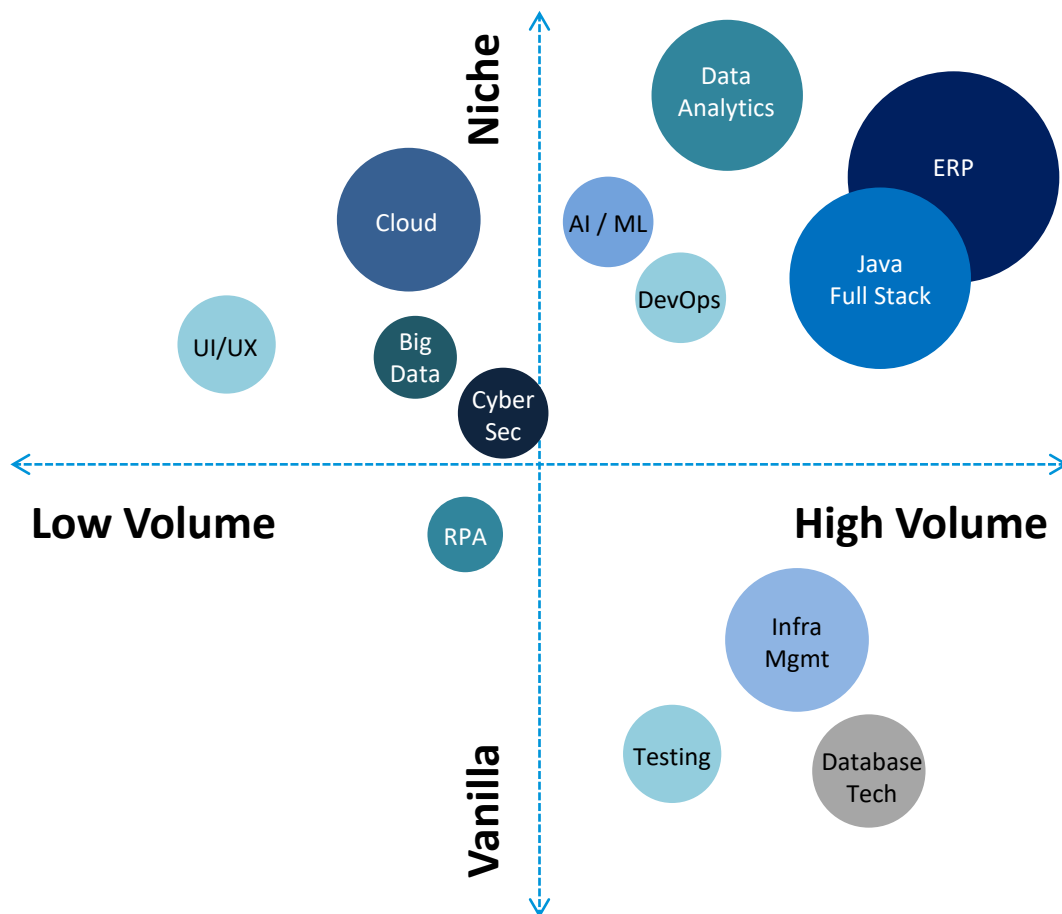
Alongside these functional skill suites, we observed a substantial demand for proficiencies encompassing Data Science, DevOps, Cloud, ERP, Cyber Security, Artificial Intelligence, Machine Learning, UI/UX and other related domains.



Leading Skill Suites

Volume of Demand Vs. Skill Mix

Quadrant analysis to map the volume of demand and skill mix for Q1FY24



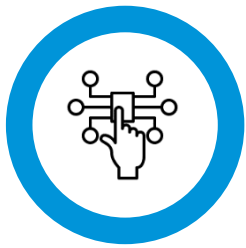
Primary hiring demand originates from expertise in niche technical skill suites. However, the industry is facing challenges in meeting these high demand levels and it is essential to start utilizing employment models that go beyond the conventional approach of lateral hiring.

To bridge the talent demand-supply gap, the industry needs to find ways to augment manpower supply through various hiring frameworks. Leveraging Center of Excellence programs, which maintain a reserve of pre-evaluated and skilled candidates, will facilitate swift recruitment schedules for conventional technology skills. In the case of technological competencies that are inadequately supplied in the marketplace, companies can employ Hire-Train-Deploy programs to afford candidates the chance to bolster their proficiency and remain current with contemporary technologies.

Prominent Sectors

Overall Contribution

Sectors with the highest tech-focused intent-to-hire in Q1FY24



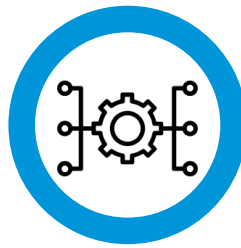
IT Services

15%



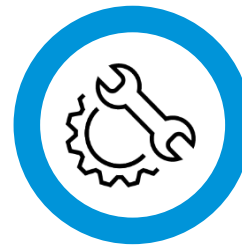
BFSI

15%



**Digital
Engineering**

13%



Telecom

6%



**Healthcare &
Lifesciences**

3%

The percentage indicates the contribution towards overall demand for Q1FY24

The rapid pace of technological advancement has ignited a profound transformation across industries worldwide. This sweeping change is being driven by the imperative to innovate and remain competitive, with technological adoption at its core. India, in particular, has emerged as a key player in this global shift, as its Global Capability Centers (GCCs) expand their horizons in search of growth and innovation. These GCCs, often the strategic hubs of multinational corporations, are leveraging technology to boost efficiency, enrich customer experiences, and pioneer new products and services.

This transformative wave spans various sectors, including IT Services, BFSI, Engineering, Telecom, Healthcare & Lifesciences, and more. Innovations encompass automation, artificial intelligence, data analytics, and cybersecurity, ushering in an era of heightened competitiveness and adaptability. India's evolution as a global technology hub further fosters trends like remote work, virtual collaboration, and digital transformation, leveraging its abundant talent pool to create an environment ripe for innovation and expansion.

Consulting firms and Global Capability Centers accounted for the majority of hiring demand.

Operational Metrics

Key staffing metrics as seen in Q1FY24

Technology Skills

	Submission to Offer	Offer to Joinee
Development	58%	63%
SAP	47%	76%
Automotive Design	42%	78%
Testing	72%	61%
Infra Support	63%	48%
OVERALL	51%	63%

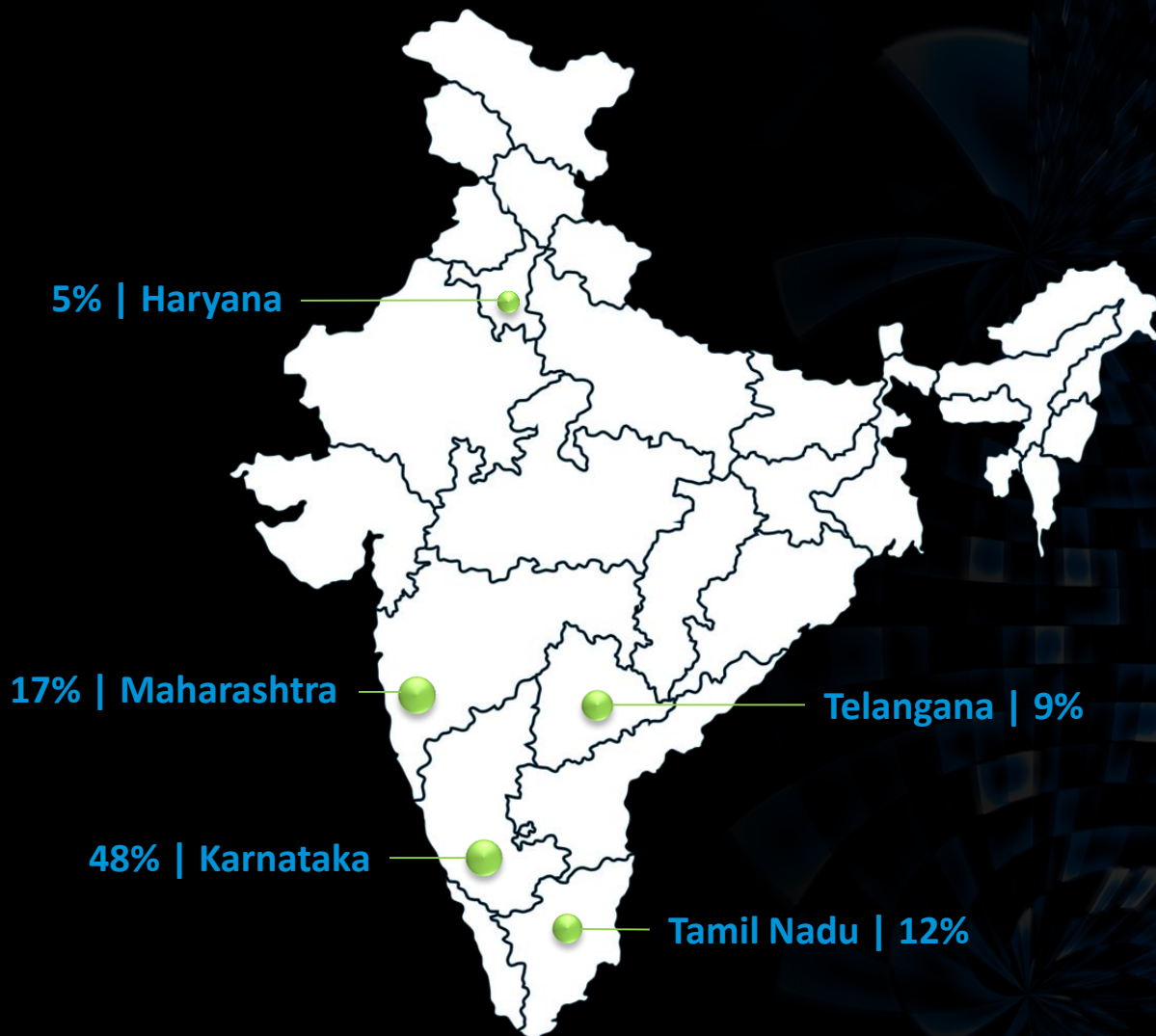
Non-Technology Skills

	Submission to Offer	Offer to Joinee
Customer Service	68%	57%
IB Security Operations	66%	78%
PMO	54%	76%
OVERALL	63%	70%

Mapping Talent Demand

Overall Contribution

Leading technology recruitment hubs in India



The percentage indicates the contribution towards overall demand for the financial year.

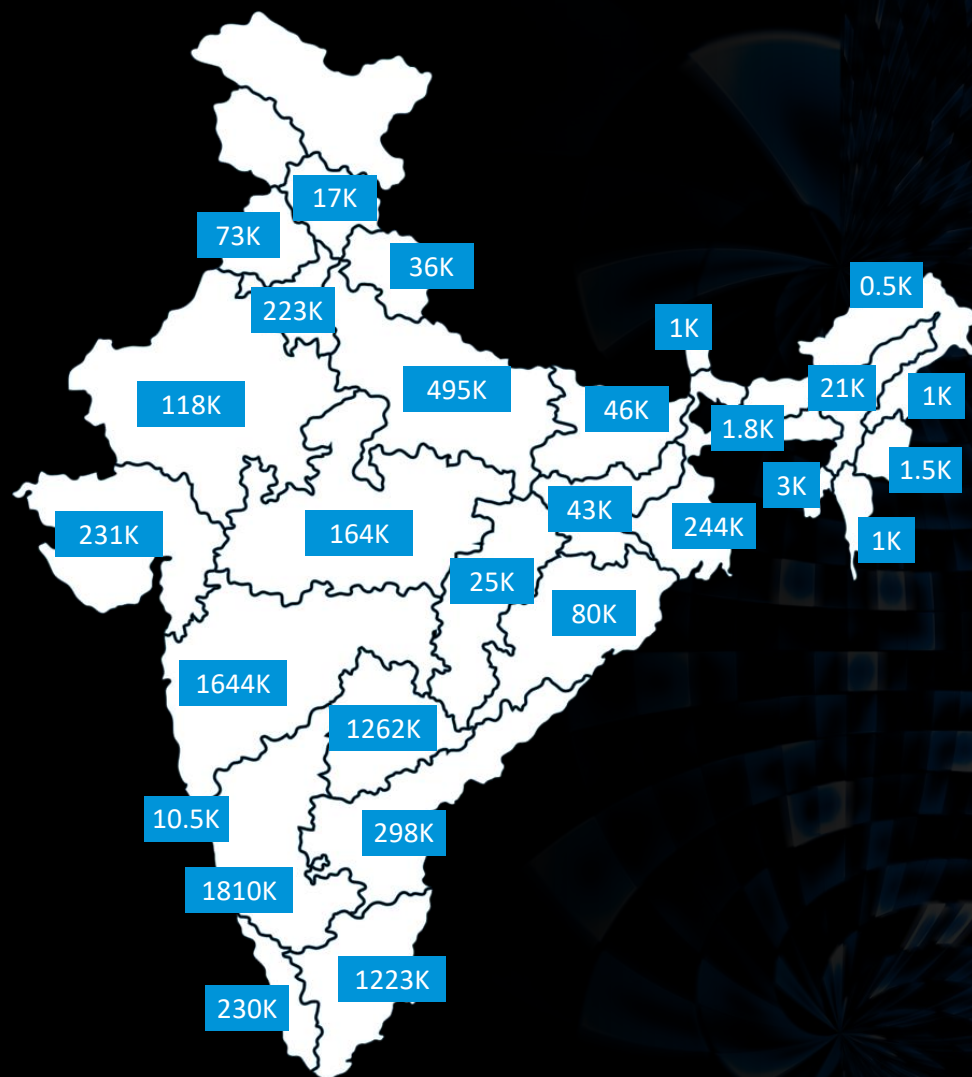
Hiring activity across India was primarily dominated by IT Hubs in Karnataka, Maharashtra, Tamil Nadu, Telangana and Haryana.

Remote working mandates and improved data services infra have enabled an upswing in hiring across Tier 2 and 3 cities, particularly in E-Commerce and Financial Services firms. We have deployed associates in cities like Jaipur, Coimbatore, Indore, Kochi, Gulmarg, Siliguri and more.

Mapping Talent Supply

Overall Contribution

Technology Talent availability across India



Source: FoundIt (A Qess Company) as on August 2023

Larger cities continue to serve as focal points for technology talent supply. Nevertheless, in the post-pandemic era, we have observed a significant decentralisation of talent across the nation.

The top 5 states with the most significant talent supply are Karnataka (22%), Maharashtra (20%), Telangana (15%), Tamil Nadu (15%), and Uttar Pradesh (6%). Additionally, Andhra Pradesh stands at 4%, while West Bengal, Gujarat, Kerala, and Haryana all share a 3% contribution.

Skills Glossary

ERP

- Oracle ERP
- SAP HANA
- SAP ABAP
- Microsoft D365
- SAP PP
- SAP MN
- PeopleSoft
- JD Edwards ERP

Cloud

- AWS
- Microsoft Azure
- Google Cloud
- IBM Cloud
- Oracle Cloud
- RedHat
- CloudFlare
- RackSpace
- CloudWays
- Heroku

Infra Mgmt

- Linux
- Information Security
- Network Engineering
- System Engineering & Administration
- VM Ware
- Mobile Device Management
- Data Center Operations & Management

Java Full Stack

- Java Script
- HTML / CSS
- Git / Git Hub
- PHP / Java / Python
- SQL Server / Oracle
- Spring Frameworks
- Jenkins / Docker / Kubernetes
- React JS / Angular JS

Data Analytics

- Python
- Qlikview
- Power BI
- Tableau
- Hive
- Grafana

These skill suites are indicative of the 800+ domains that we typically observe hiring demand for.

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