

Telecom hiring slumps, layoffs becoming common

Mini Joseph Tejaswi | TNN

Bangalore: Two years ago when hiring hit rock bottom, the telecom space emerged as a silver lining. Today, telecom hiring is headed southwards as telcos are busy focussing on cost cutting, with business sentiments weak and margins being squeezed.

Telcos hired almost a lakh of people each during 2008, 2009 and 2010. Large telecom players like Airtel, Vodafone, Idea, Reliance, Tata Teleservices, Tata Docomo and BSNL and new entrants like Swan Telecom, Datacom (of Videocon Group), S-Tel, Loop Telecom (of Essar Group), Unitech (Uninor), Shyam Telecom (of Systeme Russia-MTS), Etisalat were bullish given their pan-India roll out activities.

But today, new entrants and existing players, despite having spectrum licenses, are unable to roll out pan-India networks due to high cost of infrastructure and margin pressures.

Telcos are also very top heavy, having created new roles and enlarged responsibilities to prevent talent leaving to join competition.



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Rohan Mehta, associate vice president, Elixir Consulting, said most telcos would be able to produce the same result even if they cut 25% to 33% of their senior management.

The Tatas have merged their CDMA and GSM divisions and rationalized some 750 positions. Bharti Airtel has gone in for a comprehensive restructuring, comprising around 2,000 job positions. Vodafone, Idea, Airtel and Reliance have frozen hir-

ing and are not filling the existing vacancies.

Elisalat has fired many. Virgin Mobile, which operated on Tata spectrum, has exited, while Loop Telecom could not take off and some 100 people lost their jobs. Datacom (a Videocon venture) too is looking for an exit.

Ronesh Puri, managing director, Executive Access, a New Delhi-based executive search firm, said, "Telecom hiring has reduced by 70%. Many telcos have put a freeze

on hiring, except on a few strategic positions. Companies are redeploying talent or making internal adjustments or firing people."

Vinay Grover, founder director, Symbiosis Management Consultants, said hiring numbers are almost negligible in the telecom space, though some marginal hiring is visible in areas like network, routers, towers and switches.

Such hiring is being done by companies like Huawei, Nokia Siemens, Alcatel Lucent, ZTE, Ericsson that are laying networks for 3G. Alcatel-Lucent, Cisco and Juniper are also hiring marginal numbers in product development, testing, network, routing protocol, call processing, administration and operation and management areas.

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The government is creating an exit policy, and once that is in place operators will have better clarity on exit routes.