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# National IT/ ITeS Employability Study

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Highlights of the report

- **The study by Aspiring Minds indicates employability quotient at an alarming percentage of only 4.22% of all IT graduates**
- A total of 62% candidates require training to be eligible for any job in the IT/ITeS sector.
- Technical engineers have an edge over MCA graduates in IT product roles and KPO

India is home to over 1.3 billion people, with a large percentage of its population under the age of 25, the fact itself holds great promises for the nation. While the opportunities are ample there is a dearth of quality professionals. The current talent pool has very low employability (4.22%) with regard to IT product companies. As the IT industry in India matures, this shall become an impediment for growth, due to lack of trained manpower for product based and research based projects. Taking a long term perspective for growth, strong intervention is needed to correct this.

The findings and inferences of the study are summarized as follows:
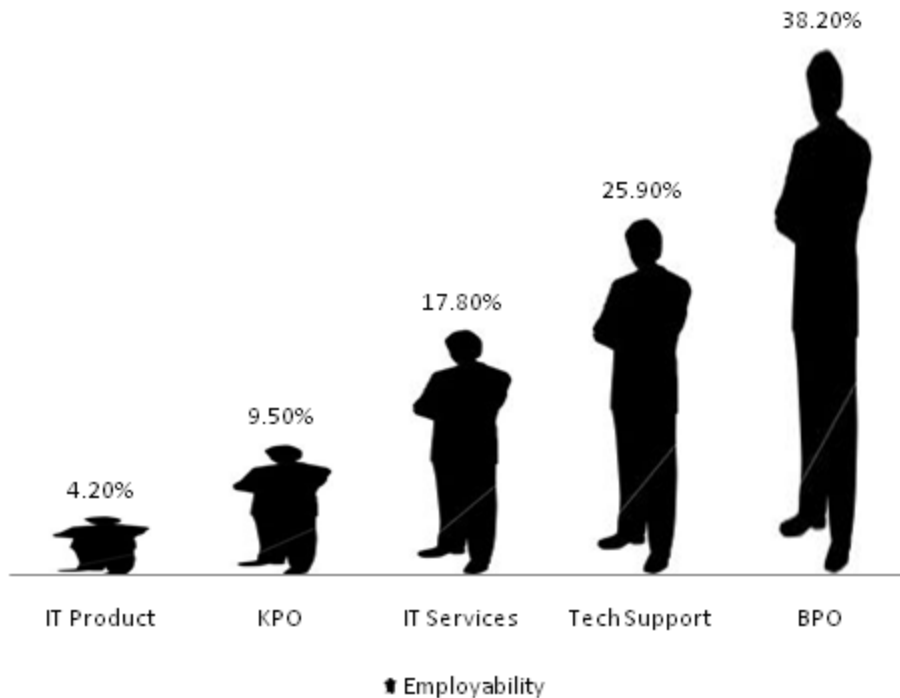
How has employability quotient been defined?

Several companies hire on merit based on AMCAT scores – therefore the standardized employability testing pattern is indicative of hiring benchmarks for the particular industry. A study on these hiring patterns not only projects employability quotient but also identifies skills that are deficient in particular group of candidates with regard to different sectors.

Methodology

Aspiring Minds has conducted India's first employability study of technical graduates based on the results of a standardized computer-based test called AMCAT conducted for more than 40,000 engineering and MCA students (in final year) across the country. AMCAT was conducted in more than 12 states under proctored environment. AMCAT [1] covers all objective parameters for adjudging employability in the IT/ITeS sector including English Communication, Quantitative skills, problem-solving skills and Computer Science and Programming skills. Employability figures are based on actual hiring benchmarks on AMCAT scores set by multiple companies in IT/ITeS related sectors. Since the study is based on a standardized aptitude and skill test, not only does it find the employability quotient, but also helps investigate skills that are deficient in particular group of candidates with regard to different sectors.

Employability scores in detail

a. IT Product : IT Product companies include companies working on development of technology products. These may include software products, hardware products, networking or telecommunication products. The employability of this sector is measured on the candidates who can be deployed in building these products.

b. IT Services companies include companies working in the area development, support, maintenance and management of computer software applications and computer hardware

- The current study has found that employability with regard to **IT product companies is as low as 4.22 %** (amongst computer/electronics related branches)
- **Employability with regard to IT services companies is 17.84%** (wherein the company gives 3-6 months of in-house training) which is lower than the advertised figure of 25%.

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c. KPO: KPO or Knowledge process outsourcing involves knowledge related or information related work being done for clients. The work may involve significant domain expertise and is knowledge intensive. **KPOs find only 9.47% technical graduates employable**.

d. BPO and Technical Support Jobs : **Employability with regard to BPOs and Technical Support Jobs (TSJ) is 38.23% and 25.88% respectively**.

To be at the forefront of innovation and achieve higher growth, it is necessary that higher-order work with regard to product development and research grows in India apart from the services industry. To facilitate the same, the product engineering employability needs to be improved which requires greater focus on part of institutions of higher education to impart quality education in Computer Science and Programming.

Does degree matter?

Taking a step further to understand the debate of MCA vs engineers as regards employability skills.

a. The employability of MCA students is almost half of that of engineering students in case IT services companies and KPOs. However, for IT Product companies, the employability of students is not as skewed (4.2% as compared to 5.4%).
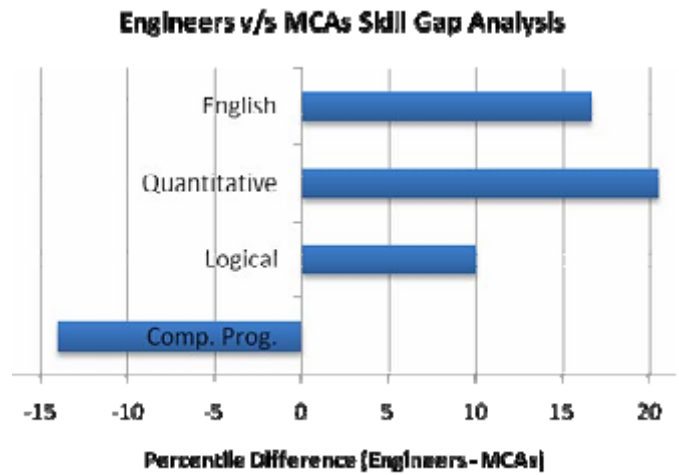

Fig.2: Engineer v/s MCA skill Gap

b. With regard to skills, MCA students are better than engineering students (in computer/ electronic/ IT related branches) in Computer Programming by 12 percentile points, whereas engineers perform better in English, Logical and Quantitative Aptitude by 10 to 20 percentile points.

c. MCA candidates have excellent potential for becoming employable at IT product companies, given their good computer programming skills. Intervention is required with regard to English and Quantitative Ability skills.

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About the study

Aspiring Minds has conducted India's first employability study of technical graduates based on the results of a standardized computer-based test called AMCAT conducted for more than 40,000 engineering and MCA students (in final year) across the country. AMCAT was conducted in more than 12 states under proctored environment. AMCAT covers all objective parameters for adjudging employability in the IT/ITeS sector including English Communication, Quantitative skills, problem-solving skills and Computer Science and Programming skills. Employability figures are based on actual hiring benchmarks on AMCAT

Employability figures are based on actual hiring benchmarks set by multiple companies in IT/ITeS related sectors, merit based on AMCAT scores

References

1. AMCAT: Aspiring Minds Computer Adaptive Test
http://bit.ly/AMCAT_technology

2. AMCAT Results Mimic Interview Decision: The case of using AMCAT for hiring at an IT Product Company . http://bit.ly/AMinterview

3. R. Rajalakshmi, "Emerging Trends of Women in the IT Profession–India" http://bit.ly/rrajalakshmi