**Is the current digital & technology hiring scenario sustainable in the long run?**

Pandemic has led to an increased adoption and demand for digital and technology solutions, and has led to a shift in business models and offerings. There is a historic demand for talent in India for digital and technology professionals which have led to a bidding war between companies. Findings of various compensation surveys and whitepapers indicate an average hike of anywhere between 40 to 60% for candidates with current employers and other competing organizations outbidding these offers.

As highlighted by the CTO of a billion dollar plus edtech company “it is a candidate driven market today, with everyone at least holding 3 to 4 offers at the same time, and in many cases even an increase of more than a 100% is not enough to attract and on board desired candidates”.

What is driving this increased demand for talent and skillsets? According to a recent study by a leading Global HR Consulting and Network organization this is a result of:

* US and European companies investing in India to set-up and expand technology development centres
* India’s IT and outsourcing companies ramping up hiring to fulfil existing client requirements and in anticipation of future growth and business pipeline
* Increased demand from start-up firms flushed with investments and ready to pay multiple times the traditional industry average
* Significant demand is coming from non-technology companies and industries aiming to make their operations more digital

India continues to be one of the most preferred and sought after offshoring destination for companies around the globe outranking some countries in the Latin America and Eastern Europe. A major reason for it is the availability of qualified technical professionals with a cost benefit.

In contrast to the above, we are witnessing an all-time high in talent cost and shortage. Is this a bubble soon to burst? Is it sustainable in the long run with cost of project execution increasing and depleting profits? Will we lose out on our offshoring advantages to another region?

While we will have to wait and explore the advantages and impacts of this current trend; there will soon be a need for rationalization.