

Startup workforce had shrunk 9%

But Hiring Has Picked Up Again In This Year

Niyati Parikh & Kalpesh Damor | TNN

Ahmedabad: Shrinking workforce was a common phenomenon post lockdown and the trend was similar with startups too. The number of people employed by startups across Gujarat declined by 9% to 9,577 in 2020 from 10,539 in 2019, shows data compiled by the Union ministry of commerce and industry.

Sumeet Mohanty, founder of Ahmedabad-based Phycolinc Technologies, said, "We stopped hiring soon after the lockdown because in environment sector, there

was a visible slowdown. Growth is yet to pick up pace. We expect to expand our workforce further in the next financial year." Another legal-tech startup based in Gujarat, Legalwiz, also restricted hiring in the pandemic year. "Since the lockdown, we restricted hiring activity for the time being. However, as our business began growing with greater digital adoption and uptakes for our services, recruitment picked up at our company," said Shrijay Sheth, founder, Legalwiz, which recently raised Rs 3 crore.

"Against the pre-pandemic period, our volumes have

Several startups raised funds post pandemic and began hiring more aggressively. Many also diversified their product categories and announced hiring plans for the days to come



Hiranmay Mahanta | CEO, IHUB

grown by at least 20% and with this, we are looking to double our workforce," he said.

Incubators in Gujarat say that hampered growth during the pandemic did compel startups to either freeze hiring or contract their workforce. However, in the second half of 2020 and early 2021,

Startups in certain sectors, such as agri-tech and healthcare, have done exceptionally well and clocked growth. These startups have expanded their workforce to cater to the growing demand



Satya Acharya | DIRECTOR, CRADLE, EDII

most have resumed hiring, announcing plans to scale-up their workforce.

International Centre for Entrepreneurship and Technology (iCreate)-incubated event management startup Hubilo hired 130 employees in the second half of 2020. The hiring was done across divisions in major cities, in-

cluding Ahmedabad. startup intends to further continue to hire in 2021.

Hiranmay Mahanta, CEO, iHUB, a Government of Gujarat initiative, said, "Growth of startups was completely dependent on the sector. For instance, those in logistics, manufacturing, services and hospitality sector were impacted thanks to the lockdown. However, some of those in the fintech, health care and allied services and edu-tech sector grew exponentially well and that drove hiring further on."

Despite Covid-19 pandemic, states such as Maharashtra, Karnataka, Uttar Pradesh as well as Delhi witnessed an increase in employment by startups, the Union ministry data further shows.