

India's IT industry body slams mass layoff reports

May 18 2017

Indian software trade body Nasscom on Thursday dismissed widespread media reports of mass layoffs in the country's hugely important information technology industry but warned that the sector must reinvent itself.

IT outsourcing has long been one of India's flagship industries but recent news reports have claimed that major companies, including Tech Mahindra and Wipro, are making thousands redundant due to increased automation.

"The numbers being reported across different sources are incorrect and are not in line with the actual employment progression," the National Association of Software and Services Companies said in a press release Thursday.

"The industry continues to be a net hirer with talent acquisition continuing across sectors and remains one of the largest employers of the nation," it added in the statement following a conference in New Delhi.

Several Indian newspapers, including respected business dailies like "The Economic Times" and "Mint", have reported major IT firms are in the process of gradually laying off thousands of staff, although the companies themselves are yet to comment on numbers.

Nasscom claimed that 170,000 new jobs had been created in the recently ended financial year and predicted that up to three million new positions

would be added by 2025, but conceded that there was a slowdown in the rate of hiring.

It also called for employees to learn new skills to help companies' keep up with demands for newer and more innovative technologies.

"Going forward the focus for companies will be on skills and proficiency levels rather than scale, hence it is becoming imperative for employees (both current and potential) to skill themselves in domain specific requirements," it said.

Nasscom says that the IT outsourcing [industry](#) employs nearly four million Indians and saw revenues of around \$154 billion.

India has been popularly termed as the "back office" to the world as companies, largely in developed nations, subcontracted work to Indian firms, taking advantage of the country's skilled English-speaking workforce.

But there are concerns it is losing its sheen as companies move towards automation and seek newer technologies while there are also fears over US President Donald Trump's curbs on H-1B visas, which allow aspiring Indian engineers to work in America.

© 2017 AFP

Citation: India's IT industry body slams mass layoff reports (2017, May 18) retrieved 11 July 2024 from <https://phys.org/news/2017-05-india-industry-body-slams-mass.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.