

Talent churn in IT sector may stabilise in 6 months: Experts

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MUMBAI/BENGALURU: Some of India's biggest information technology (IT) companies are facing an unprecedented surge in employee attrition as a pandemic-induced acceleration in digital transformation leads to an intense race for talent from global rivals as well as smaller and nimbler rivals such as start-ups.

Companies such as Tata Consultancy Services Ltd (TCS), Infosys Ltd, Wipro Ltd, and Cognizant Technology Solutions Corp. have seen record churn among their ranks. Industry experts have, however, predicted that the situation will ease shortly, possibly over the next six months. "Talent that transitioned out from Infosys and TCS last financial year, was absorbed by a nearly identical set of enterprises. In either of the cases, the Top 12 absorbers have taken over one-third of talent on the move," said Kamal Karanth, co-founder, Xpheno, a specialist staffing company.

According to data from Xpheno shared exclusively with Mint, most of whom who left Infosys in FY22 joined Accenture, followed by Cognizant, TCS, and Deloitte. At the same time, top recruiters who picked up TCS employees were Accenture, Cognizant, Infosys, and Deloitte.

On a trailing twelve months (TTM) basis, Infosys' attrition rate climbed to 27.7% in Q4 from 15.2% a year earlier, and 25.5% in the December quarter. On a TTM basis, attrition rate at TCS, the lowest in the industry, rose to 17.4% in Q4 from 7.2% a year earlier, and 15.3% in the December quarter.

The ongoing competition for talent may not last beyond two



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quarters, said experts.

"We see this trend continuing for another six months because all companies will have to be profitable as much as they can and this environment will reset. Ultimately, the skills are not valuable if you keep outpaying someone beyond its value," said Thirukkumaran Nagarajan, vice president and head of human resources, IBM India and South Asia. IBM's attrition rate, at less than 20%, is, however, more than its past but less than the market levels.

HCL Technologies Ltd and Wipro are set to declare their fiscal fourth-quarter results on 21 April and 29 April, respectively.

The industry has been battling high attrition rates as demand for digital talent continues to outpace supply. The 'Great Resignation' was the term coined a few months ago when employees, mainly in the tech and startup sector, were flooded with offers, joining bonuses, and counter offers. As Indian companies try to keep pace with digital adoption and cloud-based services, their need for experts in Java, Javascript, Python, SQL, remains unsatiated.