More Hands, Less Work is IT's Digital Conundrum

Digital attrition is on the rise as IT industry grapples with an imbalance of reskilling existing staff and finding actual projects to deploy them

Jochelle Mendonca & Ayan Pramanik

Bengaluru: As information technology services companies move full speed to train employees in digital skills, some are beginning to reckon with a new problem – there are more trained employees than digital projects, an imbalance that is resulting in newly-skilled workers looking for other jobs.

These companies are spending crores of rupees reskilling their talent and need to retain them to recoup their investment.

Employees with digital skills are in high demand and get better hikes than those of legacy projects, giving them an incentive to move to digital projects. "Training is important, but deployment is key," Saurabh Govil, chief human resources officer at Wipro, told ET. "What happens if a person gets trained, but he or she does not get deployed in a digital project, then they are hot candidates for the market. Wipro has trained them, so they can get something outside. So, our endeavour is not only to keep people ready but to give them the right deployment. We are seeing a higher attrition with digitally-trained people."

Govil said digital attrition was higher than the company level. Wipro ended FY18 with an attrition rate of over 16%. He added, one way to ensure employees stayed was to make it clear that the move to digital projects was being done in an unbiased manner — via hackathons or tests — and to show strong growth in new business that would lead to trained employees being deployed.

Digital contributes about 27% of Wipro's revenue.

Tata Consultancy Services is also looking at deployment of digitally-trained workers by ensuring project rotation. The largest IT services company has trained over half its nearly 400,000 workforce in digital skills. It gets under a quarter of its revenue from the new technologies.

"In each account, there is digital work going on. So, once you get trained, then you are in line," said Ajoyendra Mukherjee, head global human resources at TCS. "When a digital project opens up, then we look for people internally who can come in or at a planned time when you are getting released from your project then you can move on to this one.

So, everybody gets an opportunity to work on the project."

He added that new projects were of shorter duration, making it easier for people to work on digital efforts. ET has previously reported that IT employees working on legacy systems are looking at paying for their own training in an attempt to avoid being left behind. "For companies, this may have an economic complication. The dilemma for the IT services companies is that if they do not reskill them, it will be difficult to deliver the services for digital technology projects; and if they are re-trained but not utilised, they may leave the company eventually," said Santanu Paul, CEO at Talentsprint. Paul said the companies could look at hiring talent with the right digital skills to avoid some of these issues.

Mid-sized IT player Mindtree, which says it gets about half its revenue from digital technologies, said it was not seeing an attrition problem because it was training people back-to-back with digital projects. "People are being sucked into projects as soon as they are trained and can prove their proficiency to clients," Rostow Ravanan, CEO of Mindtree, told ET.

He said, training employees on digital skills helped create a deeper bond with the company as employees valued the investments that were being made to keep them relevant. "Our own attrition has significantly fallen in the last two years because we have taken so many steps to train people. Our employees recognise it and our attrition has fallen," Ravanan said.

Trying to Keep Up

16% — Wipro's attrition rate at the end of FY18

27% — Digital's contribution to Wipro's revenue

Staff with digital skills are in high demand and get better hikes giving them an incentive to move to digital projects

"If a person gets trained, but he or she does not get deployed, then they are hot candidates for the market... our endeavour is not only to keep people ready but to give them the right deployment"

Saurabh Govil, HR officer at Wipro