

Top 5 IT Cos Cut Hiring as AI, Automation Take Root

AUTOMATE IT! Companies clock double-digit growth in services delivered via AI, automation

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Bengaluru | Mumbai: India's top five IT services providers have hired fewer people over the last five years when compared to their revenue growth, suggesting greater adoption of automation and digital technologies.

Tata Consultancy Services, Infosys, HCL Technologies, Wipro and Tech Mahindra are increasingly seeing double-digit growth in services delivered using artificial intelligence-based platforms, automation tools and other digital technologies. At the same time, business from core services such as application development, maintenance and infrastructure services have fallen.

The trend can be attributed to their efforts to achieve higher utilisation and automation at the bottom of the pyramid for mundane tasks, analysts said. "Automation at the lower end, higher utilisation and small bench have re-

sulted in such hiring growth... Directionally, every company is pushing for higher utilisation," said Madhu Babu, an IT analyst at brokerage firm Centrum.

TCS, with a total workforce of 4,48,464 as of March, saw 7% compounded annual growth ra-

te (CAGR) in hiring. The company's revenue, meanwhile, grew 10.64% every year to reach ₹1,56,949 crore in the previous financial year from ₹94,648 crore in 2014-15.

Infosys, whose revenue growth was slightly higher at 11.23% since financial year 2015, saw headcount increase by 6.59% during the past five years. The company now has 2,42,371 employees and revenue of ₹90,791 crore as of financial year 2019-20. Infosys' cross-town rival,

Wipro, saw nearly 3% growth in hiring each year since FY15. Its revenue has grown at 5.38% CAGR during the

same five-year period. HCL Technologies, in comparison, fared better on the revenue front with a CAGR of 13.77% even as hiring stayed at 7.23%. The company added 47,032 employees in the last five years to take its headcount to 150,423. The biggest disparity between hiring and revenue growth was seen at Tech Mahindra.

Revenue grew at a CAGR of 10.26%, but employees were added at a slower pace of nearly 4% every year on average.

According to Centrum's Babu, the higher disparity at Tech Mahindra could mean there is a greater number of subcontracted staff deployed at projects.



Numbers Shrink

Source: Data compiled based on company disclosures

CAGR (FY15- FY20)	REVENUE	HEADCOUNT
TCS	10.64%	7.01%
Infosys	11.23%	6.59%
HCL Tech	13.77%	7.23%
Wipro	5.38%	2.94%
Tech Mahindra	10.26%	3.93%