



# Job loss: IT, ITes, BPO hiring may slow down; automation and tighter US visa rules to blame

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Though automation leads to higher efficiency and accuracy, it is cutting down on jobs and talent acquisition in the BPO sector at an overall level, the report said.

Even though the Indian IT-ITes industry is expected to grow at 8-11% in FY19, new data shows that technical graduates might find fewer promising jobs in the BPO/ ITes sector as the industry is expected to slow down hiring.



automation taking over. Though automation leads to higher efficiency and accuracy, it is cutting down on jobs and talent acquisition in the BPO sector at an overall level, the report said.

“With rising protectionist measures in the form of H1-B visa restrictions, we foresee a rise in local hiring in the US, payment of higher wages, which will take a hit on the margins of IT majors,” the report said.

The IT companies in India have seen Business Process Outsourcing (BPOs) as their fastest growing segment with BPO generating large-scale employment for Indian graduates.

### **Why foreign investors seek Indian graduates**

The BPO industry employs nearly 3.97 million people in India, the report said, adding that India has the largest highly qualified talent pool of technical graduates in the world. At the same time, India has a low-cost advantage, the report asserted.

Also, to meet the needs of the investors, Indian IT firms have set up over 1,000 global delivery centres in over 200 cities in about 80 countries around the world.

### **FDI in the IT sector**

The Indian IT industry has a significant contribution to the Indian economy being sized at ~7.9% of the country's GDP, the report said.

It added that the industry attracted FDI inflows worth about \$32.23 billion between April 2000 and June 2018 (an industry with 2nd highest FDI equity inflows to India). FY18 saw the highest inflow of about \$6.15 bn in the past five years.

BPOs are crucial to IT industry as they offer varied services such as customer support, technical support, telemarketing, insurance processing, data processing, forms processing, bookkeeping and internet / online / web research.

- **By Prachi Gupta**



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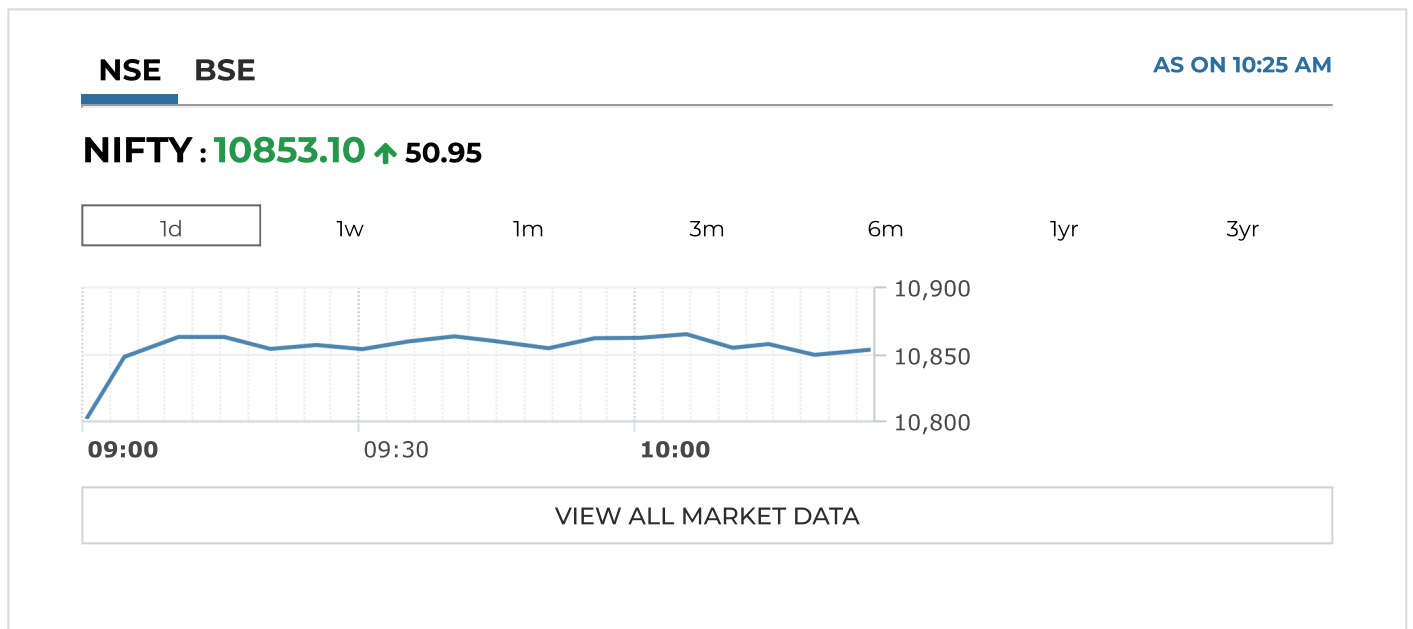
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