

News monitored for: NSDC (Old)

RISE OF THE ROBOTS US-based HfS Research predicts that India's IT services industry will lose 6.4 lakh jobs to automation by 2021, but Nasscom says more jobs will be created to absorb the loss

Automation Will Take Away 6.4 lakh Low-skilled IT Jobs

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Mumbai | Delhi: A US-based research firm is predicting that India's IT services industry will lose 6.4 lakh "low-skilled" jobs to automation in the next five years, quantifying the extent of likely pain for the first time, but Indian industry experts are urging caution and point to the other side of the coin—the creation of new jobs in large numbers.

By 2021, HfS Research said that the IT industry worldwide would see a net decrease of 9% in headcount, or about 1.4 million jobs, with countries like the Philippines, the United Kingdom and the United States also taking hits.

For its part, IT industry body The National Association of Software and Services Companies said that the report may not have taken into account all the jobs being created by newer technologies.

"Nobody's really seen what automation and robotics will really lead to. There will be some impact of automation but overall we believe that technology adoption will actually lead to more job creation across sectors," Sangeeta Gupta, senior vice president at Nasscom, told ET.

"Focus on talent increasingly has to be on skill and not scale. Jobs will exist in other places also, it's not fair to say these many jobs will get eliminated."

The IT-BPO industry employs 3.7 million, and the impact of automation will mainly fall on those working in the BPO and infrastructure management space, both of which are adopting automation.

The HfS report states that though "low-skilled" jobs will fall by 30%, "medium-skilled" jobs will increase by 8% and high-skilled jobs will rise by 56%.

Losing Your Space

BY 2021

9% Decrease in IT industry's headcount globally

1.4m Job losses

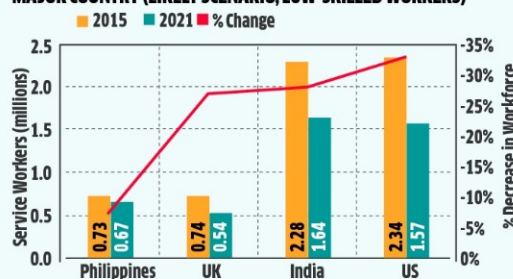
Fall in low-skilled jobs **30%**
Increase in medium-skilled jobs **8%**
Rise in high-skilled jobs **56%**

OTHER COUNTRIES THAT WILL TAKE A HIT: **3.7 million**

- Philippines
- United Kingdom
- United States

Employees in IT-BPO industry

TOTAL IMPACT OF AUTOMATION ON IT/BPO SERVICES WORKERS BY MAJOR COUNTRY (LIKELY SCENARIO, LOW-SKILLED WORKERS)



Source: HfS



DOUBLE-EDGED SWORD

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SANGEETA GUPTA

Senior vice president, Nasscom

"We've already precisely pinpointed that 30% of routine, low-value positions are being phased out through automation over the next five years, far outweighing the ex-

pected new jobs being created in the medium-high skills areas," Phil Fersht, CEO of HfS Research, said in a note.

The HfS report is based on a sur-

vey of 1477 industry stakeholders.

Though IT industry executives accept that automation will cause the number of people in the industry to fall, they are disputing the amount. "This number is too high — 6.4 lakh seems too high," said an IT industry executive, who declined to be identified.

"The BPO industry is going to be facing the problem of robotic process automation in the next two years. This is a challenge the industry and the country will face," Ashesh Mehra, CEO of BPO firm Antworks, said. Mehra was a vice president and head of Infosys BPO for Asia Pacific.