

## **Consequences of Low Job Intake in IT Sector**

### **What is the issue?**

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- Information Technology-enabled Services (ITeS) companies operating in India have reduced hiring.

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- This has raised concerns for the IT industry as well as Indian economy.

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### **What is the current scenario in IT sector hiring?**

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- Indian IT companies have reduced their intake by three fourths in spite of solid growth in the revenue.

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- Many major players are on the route of increasing productivity by investing more of digital business, artificial intelligence and automation as opposed to investing in human capital.

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- These companies have also increased their on shore intake in developed companies in accordance with the government policies in the nations they are doing business.

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### **What are the consequences expected in Indian job market?**

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- Every IT job in India creates other jobs and revenue growth in allied or associated sectors.

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- Reduced employment prospects in the ITeS sector will impact the supply chain of engineers.

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- As these engineers have pursued engineering in hopes of a stable career and future growth opportunities.

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- This low intake will ultimately affect the engineering colleges which were set up to cater to the needs of ever increasing IT industry.

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- Restrictive visa conditions imposed on developing countries will also make it difficult for Indians to get a job in companies whose base is set up in developed countries.

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- Other sectors like commercial real estate which was set up to accommodate the massive workforce will be hugely impacted.

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- Service sectors geared to provide services for people working in ITeS jobs will also be hit negatively.

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**Source: Business Standard**

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