

Large companies cut hiring by 45%

Net staff addition at BSE 500 firms at 66,000 in FY17 vs 120,000 in FY16

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Mumbai, 22 October

The increase in net employees at India's largest companies slowed down to 66,000 people in the 2016-17 financial year compared with 123,000 people a year earlier. At the end of FY17, a total of 3.25 million people were on the rolls of 241 companies of the BSE 500 index versus 3.19 million at the end of FY16.

Data on employee strength was not available for the rest of the BSE 500 index companies.

Tata Consultancy Services (TCS), Tech Mahindra, ICICI Bank and Axis Bank were the large employers to lead fresh hiring during FY17.

In all, 136 firms — out of the 241 companies in our sample — reported an increase in their headcount in FY17, same as a year ago. Out of this, nearly a fourth (32 companies) increased their headcount by 10 per cent or more. TCS was the topper and added a little over 33,000 people, taking its total employee strength to 387,000. TCS was followed by Tech Mahindra, whose employee strength was up by 12,500 people in FY17, taking its headcount to 118,000. ICICI Bank and Axis Bank reported net additions of around 9,000 and 7,000 employees, respectively, during FY17.

In percentage terms, the biggest increase in headcount was reported by non-banking finance companies (NBFCs) such as Cholamandalam Investment and Finance, Bajaj Finance, Capital First and Edelweiss Financial Services, among others.

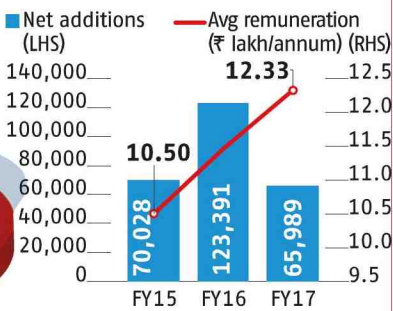
IN THE SLOW LANE



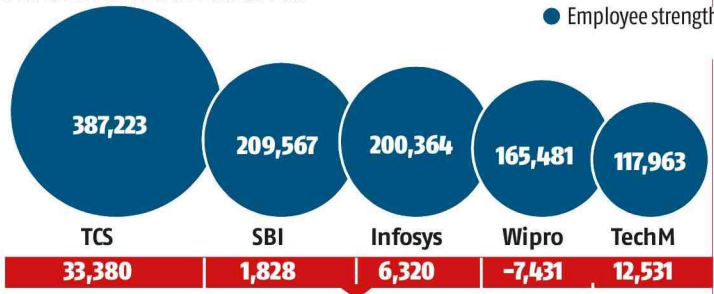
ILLUSTRATION: AJAY MOHANTY

HEADCOUNT INCREASE & AVERAGE REMUNERATION FOR BSE 500 COMPANIES

Total employees at 241 firms in FY17: 3.25 mn



FIVE BIGGEST EMPLOYERS IN FY17



Net change

Compiled by BS Research Bureau

Sources: Capitaline, companies

At the other extreme, Wipro, Steel Authority of India, HDFC Bank, Mahanagar Telephone Nigam Ltd, Bharat Heavy Electricals and Reliance Communications topped the chart for reporting a decline in their headcount in FY17.

Experts attributed this to the general slowdown in the economy. "A decline in net headcount addition by corporate houses complements the

slowdown in industrial growth and demand slowdown being faced by software exporters. There could be some improvement during the second half of the current financial year, but we have to see if it can compensate for the near freeze in hiring by IT companies," said G Chokkalingam, founder and managing director, Equinomics Research & Advisory.

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