

# ITI aims to shed 1,400 staff in 3 years

With progress in technology, fewer people are the norm, says the CMD

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ITI, which targets to make its first profit in 14 years this fiscal, will opt for contract-based hiring as it aims to reduce the workforce from its current 3,900 to 2,500 over the next three years, S. Gopu, CMD of the state-owned telecom firm, said in an interview.

ITI was officially declared sick in November 2004 after it came under the purview of the Board for Industrial and Financial Reconstruction. At its peak, it employed 35,000 people.

"The ideals of the company have changed since it was set up in 1948," Mr. Gopu said. "Earlier, it was meant for employing as many people as it could in different regions. Now, with advancements in technology, fewer people have become the norm."



S.Gopu

The state-owned firm, with the Government holding 94.86%, sees opportunities in the Centre's initiatives such as Digital India, Make in India, Preferential Market Access and smart infrastructure coupled with technologies such as 5G, Internet of Things and sensor drivers. ITI has identified potential partners for the initiatives, Mr. Gopu said.

The average age of employees is now 55 years.

"With new technology, you need young blood and we have opted for a five-year tenure-based hiring. The company is aiming to bring down the average age within 2-3 years to about 34 years."

### 'Not a training complex'

Young graduates who join the company are leaving for private sector jobs soon after a year or two after training. "Attrition is very high at 60%," Mr. Gopu said. After the five-year initial tenure, an employee is given a 30% salary increase.

"There is freedom to work but at the same time, this is not a training complex. We need to do business also."

ITI plans to even out its revenues from the three sectors which it focuses on. "30% of revenues will come from the telecommunications market, 30% from the services sector and another 30% from new technologies

such as smart city and IoT. The rest will come from small services."

The company last year lifted its 'promotion holiday' imposed on its staff. "We are springing back and smiles are back on the employees' faces. Our centre of excellence in Bengaluru has started attracting young people with innovative ideas. There was a fund shortage earlier. Now, that hurdle has been crossed with the infusion of money by the Government. This is just the beginning."

ITI has upgraded its infrastructure and started diversifying into new areas of technology. "There was a time when we could not get into the services sector. As of now, the main thing is employee motivation."

ITI's debt is about ₹850 crore, lent by a consortium of banks led by SBI. "We may make a profit of ₹10-15 crore" this fiscal, Mr. Gopu said.