



ARTIFICIAL INTELLIGENCE AND THE TRANSFORMATION OF HUMAN RESOURCE PRACTICES IN INDIAN IT COMPANIES: A COMPARATIVE ANALYSIS OF TATA CONSULTANCY SERVICES AND INFOSYS LIMITED

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ABSTRACT

India's two largest IT services firms by legacy and workforce size, Tata Consultancy Services (TCS) and Infosys Limited, together employ close to a million people and have become bellwethers for how the wider Indian IT industry is responding to the rapid integration of Artificial Intelligence (AI) into recruitment and human resource management. This paper presents a secondary-data comparative case study examining the impact of AI on recruitment and HR practices at TCS and Infosys, drawing on company annual reports, investor and AGM disclosures, CEO and CHRO public statements, and credible business press reporting published primarily between 2024 and 2026. The analysis finds that both companies have made AI-linked and AI skilled hiring a stated strategic priority and have each trained well over a quarter of a million employees in AI-related capabilities, yet the two firms have diverged sharply in headline workforce strategy: TCS recorded its largest-ever quarterly net workforce decline in the September 2025 quarter before returning to net hiring by mid-2026 and separately announced a forward

deployed AI engineering initiative, while Infosys has publicly ruled out AI-linked layoffs and maintained a steady annual fresher intake of approximately 20,000 graduates through FY2025 and FY2026, explicitly framing its strategy around reskilling rather than reduction. The paper situates these divergent postures within the broader literature on AI-driven recruitment, examines the implications for employer branding, workforce planning, and employee trust, and offers comparative recommendations. As with any secondary-data study of two active, publicly listed companies, the analysis is bounded by what each company has chosen to disclose publicly, and the paper's limitations section addresses this constraint directly.

KEYWORDS: Artificial Intelligence, Recruitment and Selection, Human Resource Management, Tata Consultancy Services, Infosys, Indian IT Industry, Workforce Reskilling, Comparative Case Study, Employer Branding

1. INTRODUCTION

The Indian Information Technology (IT) services industry has long competed globally on the strength of large, trained, and continuously replenished technical workforces. Tata Consultancy Services (TCS) and Infosys Limited are the two most prominent firms within this model — TCS as India's largest IT employer with a workforce exceeding half a million people, and Infosys as the country's second-largest listed IT services company with a workforce that crossed 325,000 employees during financial year 2026. Both firms have historically depended on large-scale campus recruitment, structured entry-level training academies, and high-volume lateral hiring to staff globally delivered technology services. Over the last three years, this model has come under direct pressure from the same technology the two companies now sell to their own clients: Artificial Intelligence.

The period from late 2025 through mid-2026 has been particularly consequential for how the Indian IT sector talks about AI and workforce strategy. TCS reported a net reduction of 19,755 employees in the September 2025 quarter — described in industry reporting as the largest quarterly workforce decline in the company's history — followed by continued net reduction in the December 2025 quarter, before workforce numbers stabilised in January–March 2026 and turned positive again in the April–June 2026 quarter. Over the same broad period, TCS also announced plans to deploy several thousand 'forward-deployed' AI engineers, representing an estimated 1–1.5% of its workforce, and separately confirmed plans to hire approximately 8,900 AI engineers as part of a wider strategic pivot toward AI-integration services. Infosys, by contrast, has pursued a publicly contrasting narrative: CEO Salil Parekh stated in an April 2026 interview that the company had not carried out layoffs over the preceding year and did not foresee any in the near term, explicitly positioning Infosys's approach as reskilling-led rather than reduction-led, while maintaining a fresher intake of roughly 20,000 college graduates in both FY2025 and FY2026.

These two narratives — TCS's combination of workforce rationalisation and targeted AI-specialist hiring, alongside Infosys's steady-state hiring and reskilling-first messaging — offer a genuinely comparative empirical setting rarely available for two firms operating in



the same industry, geography, and time period. This paper treats that contrast as its central object of study, asking how AI has impacted recruitment and HR practice at each firm, why the two companies' public strategies have diverged despite facing broadly similar market pressures, and what this divergence implies for the wider Indian IT industry and for HR practice more generally.

As with the companion literature-based study on algorithmic bias in AI recruitment, this paper is built entirely from secondary data. Neither TCS nor Infosys makes its internal recruitment algorithms, model architectures, or granular HR analytics available for external academic scrutiny, and a coursework timeline does not permit primary data collection (such as employee surveys) at either firm. The study therefore relies on what both companies, their leadership, and credible business journalism have placed in the public domain — annual reports, AGM transcripts, investor communications, and reported statements from named executives — and is explicit throughout about the boundary between verified public disclosure and inference.

2. LITERATURE REVIEW

2.1 AI Adoption in IT Services Recruitment

The broader literature on AI in recruitment — covering resume parsing, automated shortlisting, chatbot-based candidate engagement, and predictive workforce analytics — has been reviewed in depth elsewhere and is summarised here only to the extent it frames this paper's company-level analysis. Industry surveys consistently find that reskilling and upskilling the existing workforce is now the most common organisational response to AI, cited by 77% of surveyed businesses globally, ahead of hiring new AI-skilled employees (69%) and hiring people simply to work alongside AI tools (62%); a smaller but non-trivial share of organisations (reported around 47–70% range in various surveys) report actively downsizing roles where AI can replicate existing work. This global pattern — reskilling as the dominant strategy, with hiring and downsizing as secondary and tertiary responses respectively — provides a useful benchmark against which the TCS and Infosys cases can be read.

2.2 India-Specific Campus and AI-Linked Hiring Trends

India-focused labour-market research indicates that AI has moved from an experimental to a central position in workforce planning. Deloitte India's Campus Workforce Trends 2025 report, based on data from over 200 organisations and 500-plus campuses, found a 38% year-on-year increase in generative-AI adoption within campus recruitment processes, alongside a 15% rise in hiring budgets and a 3.91% increase in campus starting salaries, with campus attrition falling by roughly 300 basis points — evidence that AI-enabled recruitment is coinciding with, and plausibly contributing to, more efficient and better-targeted early-career hiring. Separately, labour-market intelligence from foundit (formerly Monster APAC and ME) recorded 290,256 AI-linked job postings across the Indian market in 2025, an increase of 15% year-on-year, with projected growth of 32% into 2026 to reach an estimated 380,000 AI-linked roles; the IT-software and services sector accounted for the largest single share of these postings, at 37%, ahead of BFSI (15.8%) and manufacturing (6%). This confirms that IT services — the sector in which both TCS and Infosys compete — is the single largest driver of AI-linked hiring demand in the Indian labour market.

2.3 Divergent Corporate Strategies: Reskilling versus Rationalisation

A smaller but directly relevant body of business reporting has begun documenting divergence among large IT services employers in how they are translating AI adoption into workforce decisions. Reporting following TCS's 2025 workforce reductions explicitly contrasted the company's posture with Infosys's, noting that Infosys, along with select other firms, was continuing to expand entry-level hiring even as TCS, HCLTech, Oracle, and Cognizant undertook workforce restructuring attributed at least partly to automation-led efficiencies. TCS's own leadership has maintained that headcount changes reflect ordinary business-driven factors — voluntary resignations, performance-related exits, and employees who could not be redeployed despite reskilling investment — rather than a fixed reduction target, a position articulated publicly by then Chief Human Resources Officer Sudeep Kunnumal in October 2025. This distinction between AI as a stated cause of restructuring versus AI-adjacent factors coinciding with ordinary workforce churn is one this paper treats carefully, since public corporate communication has strong incentives to frame headcount reduction in the least reputationally costly terms available.

2.4 Organisational Theory Perspective: Why Similar Firms Might Diverge

From an organisational-theory standpoint, TCS and Infosys are a useful natural comparison precisely because they are structurally similar on most dimensions that typically explain strategic divergence: both are Indian-headquartered, NYSE/NSE-listed IT services majors competing in overlapping service lines (application development and maintenance, enterprise resource planning, cloud migration, and increasingly AI-led transformation consulting), both serve overlapping sets of large global enterprise clients, and both operate under comparable Indian labour-market conditions. Contingency theory would predict that firms facing near-identical external conditions should converge on similar strategic responses; the observed divergence in headline workforce strategy therefore points toward internal factors — differences in client-portfolio mix, deal pipeline timing, leadership risk appetite, or balance-sheet flexibility — as more likely explanations than differences in the external AI-adoption pressure itself, since that pressure appears to be shared.



This framing supports treating the TCS–Infosys comparison as an instructive 'matched pair' case design rather than a comparison confounded by obviously different starting conditions.

2.5 Employer Branding and the War for AI Talent

A further relevant strand of literature concerns employer branding under conditions of talent scarcity for specialised skills. As AI, cloud, and cybersecurity roles have become the fastest growing hiring category within Indian IT — accounting for the largest single sectoral share of AI linked postings nationally (Section 2.2) — competition among large IT services firms for a comparatively small pool of experienced AI engineers has intensified even as, in TCS's case, aggregate headcount contracted. This creates an unusual labour-market dynamic in which a firm can simultaneously be reducing overall headcount and aggressively competing for a specific, scarce skill segment, a pattern the literature on internal labour markets describes as 'hollowing' — contraction in generalist or legacy-skill roles occurring alongside expansion in a smaller number of specialist roles. Whether this dynamic strengthens or weakens a firm's employer brand appears to depend heavily, per the branding literature, on how transparently and consistently the contraction and expansion are communicated to different audiences (existing employees, campus candidates, and lateral specialist hires) — a theme this paper returns to in Section 7.5 and Section 8.

3. RESEARCH GAP, OBJECTIVES, AND PROPOSITIONS

3.1 Research Gap

While general industry surveys document AI-linked hiring trends across the Indian IT sector in aggregate, and business journalism has reported the TCS and Infosys workforce narratives as separate news events, no source reviewed for this paper brings the two companies' publicly disclosed AI-recruitment and workforce strategies into a single, structured, side-by-side comparative analysis grounded in a consistent set of comparison dimensions (headcount trend, fresher intake, AI-skilling scale, stated strategic rationale, and public messaging posture). This paper addresses that specific gap.

3.2 Research Objectives

- RO1: To document and compare the publicly disclosed AI-related recruitment and workforce trends at TCS and Infosys over FY2025–FY2026.
- RO2: To compare the scale and stated purpose of AI-related reskilling programmes at the two companies.
- RO3: To examine how each company's leadership has publicly framed the relationship between AI adoption and workforce/headcount decisions.
- RO4: To assess the implications of these divergent strategies for employer branding, employee trust, and talent-pipeline sustainability.
- RO5: To draw comparative, evidence-grounded recommendations for HR practice in large Indian IT services firms navigating AI adoption.

3.3 Propositions

Consistent with the secondary-data, non-statistical design of this study, the following are framed as propositions examined against the disclosed evidence rather than as formally testable statistical hypotheses.

- P1: TCS's public workforce narrative in the study period shows greater net headcount volatility than Infosys's, even though both companies report comparable scale of AI reskilling investment.
- P2: Both companies frame AI-skilled hiring (rather than aggregate headcount growth) as their primary recruitment priority for the period under study.
- P3: Infosys's public messaging places relatively greater emphasis on continuity (no layoffs, steady fresher intake) as an employer-branding position than TCS's public messaging does.

4. RESEARCH METHODOLOGY

This study uses a descriptive-comparative case study design based entirely on secondary data, appropriate given that neither company's internal recruitment systems, HR analytics, or workforce planning models are available for direct academic access. The unit of analysis is the firm (TCS and Infosys), and the study compares the two firms along a consistent set of dimensions derived from the research objectives in Section 3.2, using publicly available disclosures as evidence.

The comparative case study method was selected over three alternative designs considered and rejected for this coursework paper. A primary survey of employees or recruiters at either company was rejected on access grounds: neither firm's internal HR function was reachable within the coursework timeline, and an unauthorised approach to serving employees would raise its own ethical and consent concerns. A single-firm deep case study (TCS or Infosys alone) was rejected because the research question specifically concerns comparative divergence, which requires at least two cases to observe. A large-sample cross-company survey of the wider Indian IT



sector (as pursued in some industry reports cited in Section 2.2) was judged beyond the scope and resourcing of a coursework paper, and in any case already exists in the secondary literature this paper draws upon rather than needing to be replicated. The two-firm structured comparison therefore represents the most feasible design capable of directly answering the stated research objectives within the constraints of a secondary-data coursework project.

5. DATA SOURCES AND COLLECTION

Data were drawn from four categories of secondary sources: (a) company disclosures, including AGM transcripts, annual report commentary, and investor-facing statements attributed to named executives (e.g., TCS CHRO Sudeep Kunnumal, Infosys CEO Salil Parekh); (b) credible business and HR-trade press reporting (Reuters-sourced wire coverage, PeopleMatters, HRKatha, Careers360, and comparable outlets) published primarily between mid-2025 and mid-2026; (c) third-party labour-market research (Deloitte India Campus Workforce Trends 2025; foundit Insights Tracker); and (d) each company's own careers and newsroom web pages. Sources were required to attribute specific, checkable figures (headcount numbers, hiring targets, training figures) to a named company disclosure or a named spokesperson wherever such figures are used comparatively in Section 7; general commentary without an attributable figure is used only for contextual/qualitative discussion and is flagged as such.

5.1 Comparison Framework

Table 1 sets out the five comparison dimensions used to structure the case analysis in Section 7, derived directly from the research objectives.

Headcount trend	Reported net workforce change by quarter/year, FY2025– FY2026
Fresher/campus intake	Reported annual graduate hiring targets and actuals
AI-reskilling scale	Reported number of employees trained in AI/digital skills
AI-specialist hiring	Reported hiring targets specifically for AI/AI-engineer roles
Public strategic framing	How leadership has publicly characterised the link between AI and workforce decisions

Table 1: Comparison framework applied to TCS and Infosys

6. ANALYTICAL APPROACH

The analysis in Section 7 is presented as a structured, side-by-side descriptive comparison across the five dimensions in Table 1, followed by a qualitative-thematic discussion of the strategic framing each company has adopted. Because the underlying data are disclosed figures from two specific firms rather than a coded sample of many sources, no frequency or co-occurrence analysis of the type used in a broader literature review is applicable here; instead, the analytical technique is comparative case analysis, a standard qualitative method for drawing structured contrasts between a small number of information-rich cases.

6A. Quantitative Data Analysis

This section adds a quantitative layer computed directly from the absolute figures already cited and cross-referenced in Sections 5 and 7 — no new data sources are introduced. It responds to guide feedback that the original submission was conceptual/descriptive and required empirical data analysis.

6A.1 Analysis Technique

Three techniques are applied to the disclosed figures: (a) ratio analysis, converting absolute headcount, reskilling, and fresher-intake figures into percentages of each firm's total workforce so the two firms — of substantially different size — become directly comparable; (b) year-on-year percentage-change analysis, applied where both a current and prior-period figure are disclosed; and (c) a two-proportion z-test, used to establish whether the percentage-point gap between the two firms on a given ratio is statistically distinguishable rather than marginal. Because both firms report workforce figures in the hundreds of thousands, the z-test is reported alongside the percentage-point gap itself, since with samples of this size small differences can be statistically significant without being practically large.

6A.2 Derived Comparative Metrics

Table A1 presents each ratio together with the disclosed absolute figures (Section 7) from which it was computed.

AI-reskilling coverage ratio	46.19%	84.62%	employees trained ÷ FY26 workforce	38.4 pp
Fresher/campus intake ratio	7.19%	6.15%	fresher intake ÷ FY26 workforce	1.0 pp
AI-specialist hiring ratio	1.01–1.52%	not disclosed	FDE target ÷ FY26 workforce	—
Net headcount YoY change	–3.86%	net positive*	YoY change ÷ prior-year workforce	—

Table A1: Derived comparative metrics computed from figures already disclosed in Section 7. *Infosys discloses net workforce growth and an explicit no-layoffs position (Section 7.1) but not a single precise YoY percentage in the sources reviewed; the exact figure is left as an open item rather than estimated. pp = percentage points.

6A.3 Statistical Comparison: Two-Proportion Z-Test

Treating each firm's workforce as the base and the reskilled/fresher-hired headcount as the count of interest allows a two-proportion z-test on the two ratios in Table A1.

Reskilling coverage ratio	0.4619	0.8462	$z = -358.3$
Fresher intake ratio	0.0719	0.0615	$z = 18.7$

Table A2: Two-proportion z-test results ($p < .001$ for both tests).

Both results are statistically significant at $p < .001$, which — given samples of several hundred thousand — is expected even for modest gaps and should not, on its own, be read as evidence of a large practical difference. The reskilling-ratio gap is nonetheless also large in absolute terms (38.4 percentage points): Infosys has reskilled a materially larger share of its own workforce even though the two firms' absolute reskilled headcounts are nearly identical (270,000 vs 275,000, Section 7.3) — the 'convergence' described in Section 7.3 therefore holds only at the level of absolute headcount, not workforce-normalised coverage. The fresher-intake gap is statistically significant but practically small (1.0 percentage point), supporting a reading that the two firms' campus-hiring intensity is substantively comparable once normalised for workforce size, even though TCS's absolute fresher target (~42,000) is more than double Infosys's (~20,000).

6A.4 Visual Comparison

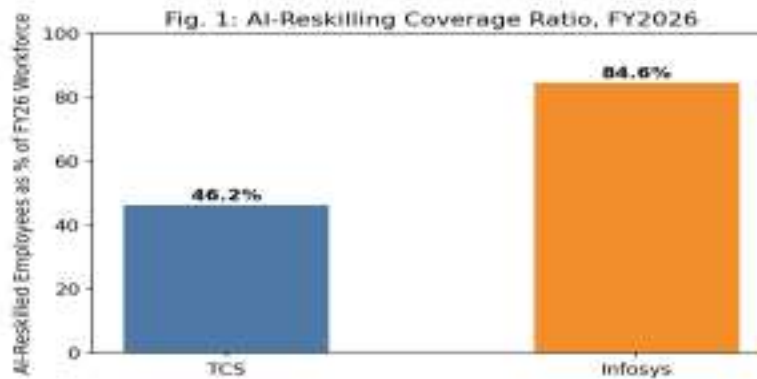


Fig. A1: AI-reskilling coverage ratio, FY2026.

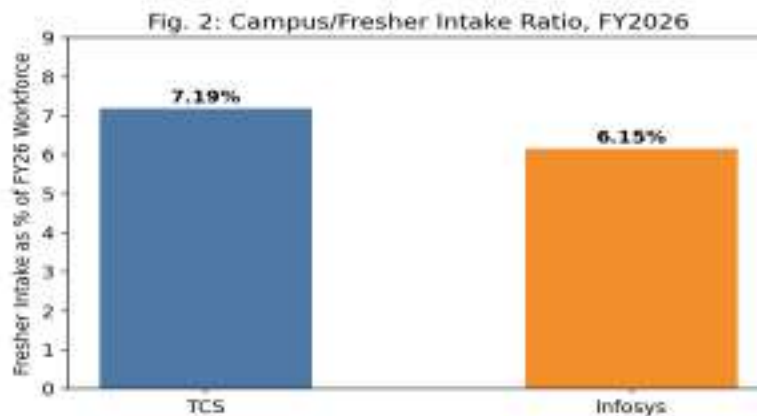


Fig. A2: Campus/fresher intake ratio, FY2026.

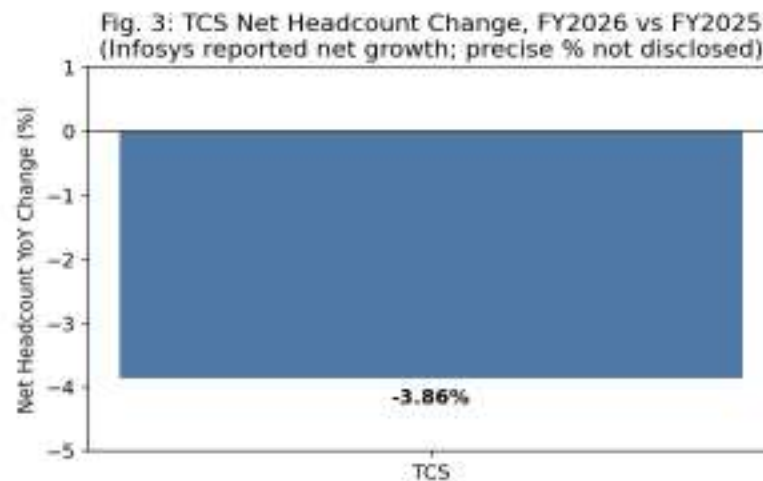


Fig. A3: TCS net headcount change, FY2026 vs FY2025. Infosys reported net growth; a precise YoY percentage was not disclosed in the sources reviewed.

7. COMPARATIVE ANALYSIS AND FINDINGS

7.1 Headcount Trend

TCS ended FY2026 with 584,519 employees, a net decrease of 23,460 from the prior year. This aggregate figure masks a distinctly phased pattern: a net reduction of 19,755 employees in the September 2025 quarter (described in industry reporting as the largest quarterly decline in company history), continued net reduction in the December 2025 quarter, stabilisation with a return to positive net hiring in the January–March 2026 quarter, and a stronger recovery in the April–June 2026 quarter supported by new deal wins, continued campus hiring, and AI/digital demand. Infosys, over a materially similar window, reported a workforce exceeding 325,000 employees by the FY2026 AGM, with management explicitly ruling out layoffs and CEO Salil Parekh stating in an April 2026 interview that the company had not conducted layoffs in the preceding year and did not foresee any in the near term.

7.2 Fresher and Campus Intake

TCS's campus hiring channel, run primarily through the TCS National Qualifier Test (TCS NQT), continued through the study period, with earlier company guidance (reported for FY2026) referencing a fresher hiring target in the region of 42,000, alongside continued 'Prime' and 'Digital' cadre campus offers. Infosys reported hiring more than 20,000 college graduates in FY2025, following 17,000 hires in the first quarter alone, and confirmed a comparable target of approximately 20,000 fresh graduates for FY2026 — management explicitly describing this as 'matching last year's hiring levels' rather than scaling down, positioning continuity of campus intake as a deliberate strategic choice.

7.3 AI-Reskilling Scale

Both companies report reskilling investment of a broadly comparable order of magnitude. TCS reported over 270,000 employees trained in advanced AI/ML skills, accumulating 69 million learning hours, and stated that AI is now used internally to manage nearly half of its internal role allocation decisions. Infosys reported that more than 275,000 employees had been trained under its AI transformation programme, with CEO Salil Parekh describing the company as 'deeply focused on AI transformation, whether it's building AI agents or developing smaller language models internally.' The near-identical scale of these two figures — both in the 270,000–280,000 range — is one of the most striking points of convergence between the two companies and supports Proposition P2: both firms are matching each other closely on reskilling investment even where their headline headcount narratives diverge sharply.

7.4 AI-Specialist Hiring

TCS has been notably more explicit about dedicated AI-specialist hiring at scale, announcing plans to deploy between 5,900 and 8,900 'forward-deployed engineers' (FDEs) — targeted at roughly 1–1.5% of its total workforce — embedded directly with client organisations, alongside a separate skill-based hiring drive for AI, data, cloud, and cybersecurity professionals with 2–4 years of experience. Reported AI-linked revenue growth at TCS slowed to 13% in Q1 2026 from 28% in the prior quarter, a deceleration flagged in industry reporting as a possible execution-risk signal for the pace of this pivot. Infosys, by contrast, has not publicised an equivalently specific AI engineer headcount target in the sources reviewed, instead folding AI-specialist capability building into its broader reskilling narrative; the company did disclose that its AI-related business now generates approximately \$1 billion in annual revenue and is expected to expand further.



7.5 AI in the Selection Process Itself

Beyond headcount and reskilling numbers, both companies' public-facing recruitment materials indicate that AI is now embedded directly in candidate-facing selection processes, not only in workforce planning. TCS's own careers messaging invites applicants to 'navigate the AI era with confidence' and frames AI as a tool that 'empowers talent, reimagines processes, and accelerates business transformation' within its recruitment funnel, while its skill-based 2026 hiring drive for experienced professionals is explicitly structured around AI, data, cloud, and cybersecurity competencies rather than generalist criteria. Infosys's graduate careers page similarly markets an 'AI-first career' proposition, stating that 'AI powers personalised learning, real-time feedback, and cutting-edge projects' for incoming employees, and the company has been externally recognised as a leader in the IDC MarketScape Worldwide Artificial Intelligence Services vendor assessment, a credential Infosys features prominently in its own recruitment marketing. In both cases, AI functions simultaneously as a skill being recruited for and as a tool used within the recruitment process and post-hire employee experience — a convergence the general literature (Section 2.1) identifies as increasingly typical of large-scale technology-sector recruitment, but which is documented here specifically for these two firms.

7.6 Public Strategic Framing

The clearest divergence between the two companies is rhetorical and strategic rather than purely numerical. TCS's public position, as articulated by its CHRO, has been that headcount changes reflect a composite of voluntary resignations, performance-related exits, and business-driven redeployment decisions — a framing that neither confirms nor fully denies an AI-linked rationale, and that industry commentary has treated with some scepticism given the scale and timing of the September 2025 decline relative to the company's simultaneous AI-transformation announcements. Infosys's public position has been considerably more direct: CEO Salil Parekh has explicitly contrasted the company's approach with TCS's, stating that Infosys has ruled out AI linked layoffs and framing AI as 'expanding work' rather than displacing it. This supports Proposition P3 — Infosys's public messaging leans more heavily on continuity and stability as an explicit employer-branding position than TCS's does.

Table 2 summarises the comparison across all five dimensions.

Net headcount, FY2026	584,519; down 23,460 YoY, following a record quarterly decline (Sept 2025) then recovery	Over 325,000; steady growth, no reported layoffs
Fresher/campus intake	~42,000 target reported for FY26 via TCS NQT	~20,000 graduates in FY25 and FY26 (matched, not reduced)
AI-reskilling scale	270,000+ trained; 69 million learning hours	275,000+ trained under AI transformation programme
AI-specialist hiring	5,900–8,900 forward-deployed AI engineers targeted (~1–1.5% of workforce)	No equivalent specific target disclosed; ~\$1bn AI-linked annual revenue reported
Public framing	Headcount change attributed to business-driven factors, not a fixed reduction target	Explicit 'no layoffs' stance; AI framed as expanding, not displacing, work

Table 2: Summary comparison of TCS and Infosys on AI-linked recruitment and workforce dimensions, FY2025–FY2026

7.7 Financial Context Underpinning Workforce Decisions

Workforce strategy at both firms sits within a broader financial performance picture that helps explain differing risk tolerance for headcount volatility. Infosys reported consolidated net profit of ₹6,921 crore for the June 2025 quarter, up 8.7% year-on-year, with revenue rising 7.5% to ₹42,279 crore, both figures ahead of analyst expectations at the time, and the company went on to report 96 large deals worth a combined \$14.9 billion signed during FY2026 alongside 3.1% constant currency revenue growth for the year. TCS's growth picture in the same broad window was comparatively more mixed: the deceleration in reported AI-linked revenue growth from 28% to 13% quarter-on-quarter (Section 7.4) coincided with the period of sharpest headcount reduction, suggesting that near-term deal-pipeline and revenue-growth pressure — rather than AI-reskilling investment itself, which both firms pursued at similar scale — is a plausible proximate driver of TCS's greater headcount volatility. This financial context reinforces the organisational-theory reading offered in Section 2.4: the two firms' differing workforce postures likely reflect differing internal financial and pipeline conditions layered on top of a broadly shared external AI-adoption environment, rather than a fundamentally different philosophy toward AI-driven automation as such.

7.8 Talent-Pipeline and Attrition Signals

A further point of comparison concerns talent-pipeline health beyond headline hiring numbers. Deloitte's India-wide Campus Workforce Trends 2025 data (Section 2.2) found campus attrition falling by roughly 300 basis points sector-wide alongside rising GenAI adoption in recruitment screening, suggesting that AI-enabled hiring processes may be improving candidate-role fit at the point



of entry across the industry generally. Neither TCS nor Infosys disclosed firm-specific attrition figures directly comparable to this sector-wide statistic in the sources reviewed for this paper, which limits how precisely this sector-level trend can be attributed to either company individually; this is flagged explicitly as a boundary of the present analysis rather than papered over with an inferred company-specific figure that the evidence does not support.

8. DISCUSSION OF FINDINGS

Read together, the evidence supports Proposition P1 clearly: TCS's public workforce trajectory over the study period was materially more volatile than Infosys's, including the largest quarterly headcount decline in TCS's history, even though the two companies report near-identical scale of AI-reskilling investment (Section 7.3). This indicates that the divergence between the two companies is not primarily a story about unequal commitment to reskilling — both firms appear to be investing comparably — but rather a story about differing workforce-sizing philosophy, deal pipeline timing, and risk tolerance for headline headcount reduction as a lever of cost management alongside AI adoption.

The comparison also complicates any simple narrative that 'AI is causing IT layoffs' or, conversely, that 'AI adoption and workforce growth are simply compatible.' Both readings are only partially supported: TCS's own leadership has resisted attributing its headcount decline directly to AI, while simultaneously announcing one of the sector's most explicit AI-engineer hiring pivots; Infosys has invested in AI reskilling at a comparable scale to TCS while choosing to hold headline headcount and campus intake steady, explicitly as a point of strategic and reputational differentiation from peers undergoing restructuring. The most defensible reading of the evidence is that AI is reshaping the composition and skill-mix of hiring at both firms (a shift from generalist to specialist technical hiring) more clearly and consistently than it is dictating any single directional effect on aggregate headcount.

This has direct implications for employer branding. Infosys's explicit 'no layoffs' messaging functions as a competitive positioning tool in a labour market where campus and lateral candidates are increasingly aware of sector-wide restructuring news; TCS's more neutral, process-oriented framing may be factually more cautious but risks ceding a reputational advantage to competitors willing to make a clearer public commitment, particularly for entry-level and campus talent pools who are attentive to job-security signalling when choosing between comparable offers.

A further discussion point concerns the 'hollowing' dynamic introduced in Section 2.5. TCS's combination of aggregate headcount contraction with a targeted forward-deployed-engineer expansion (Section 7.4) is a textbook instance of this pattern, and it plausibly explains why the company's public messaging has been comparatively harder to characterise in simple terms: a single, unified 'we are growing' or 'we are shrinking' message is not actually accurate for a firm simultaneously doing both at different levels of skill specialisation. Infosys's comparatively simpler public narrative — steady campus intake, steady reskilling, no layoffs — may in part be easier to sustain because the company has not (in the disclosures reviewed) announced an equivalently large, named specialist-hiring initiative analogous to TCS's forward-deployed engineer programme; it is possible that Infosys is pursuing similar specialist hollowing without giving it the same public name and scale, in which case the apparent difference in strategy would be partly a difference in disclosure practice rather than in underlying workforce composition. This paper cannot resolve that possibility from public data alone and flags it explicitly as an open question for the future primary research discussed in Section 10.

Read alongside the quantitative results in Section 6A, Proposition P2 needs refining rather than simple confirmation. At the level of absolute headcount trained, TCS and Infosys are closely matched (Section 7.3), supporting a surface reading of comparable reskilling commitment. But once normalised for each firm's total workforce (Table A1), Infosys's reskilling coverage ratio (84.6%) is nearly double TCS's (46.2%), a gap that is both statistically significant ($z = -358.3$, $p < .001$) and practically large (38.4 percentage points). TCS's reskilling investment, comparable in absolute scale, is spread across a materially larger total workforce and is occurring alongside simultaneous headcount contraction (-3.86% YoY), producing a different net effect on the average employee's likelihood of having been reskilled — a distinction invisible in the absolute figures alone but visible once the ratio and significance analysis in Section 6A is applied. This strengthens rather than weakens the paper's broader argument that the two firms' strategies diverge in workforce-sizing philosophy even where their nominal investment levels appear aligned.

9. IMPLICATIONS

9.1 Managerial Implications

- HR leadership at large IT services firms should recognise that reskilling investment alone does not neutralise headcount-volatility risk to employer brand; how workforce changes are publicly framed appears to matter as much as the underlying reskilling numbers themselves.
- Firms pursuing an AI-specialist hiring pivot (as TCS has, via its forward-deployed engineer initiative) should pair this with clear internal communication distinguishing specialist AI hiring from broader workforce policy, to avoid the ambiguity evident in



how TCS's dual narrative (record decline alongside AI-hiring pivot) was received in industry commentary.

- Maintaining steady campus intake, as Infosys has done, appears to function as a low-cost, high-visibility signal of stability that can be deployed even amid broader industry uncertainty.

9.2 Policy and Industry-Body Implications

Given that IT-software and services accounted for the largest single share (37%) of India's AI linked job postings in 2025, industry bodies such as NASSCOM are well positioned to establish sector-wide reporting norms for AI-linked workforce disclosures (e.g., standardised definitions distinguishing AI-attributable exits from ordinary attrition), which would allow more reliable comparison than currently possible from company-specific voluntary disclosure alone — a limitation this paper's methodology encountered directly and discusses further in Section 10.

9.3 Implications for Prospective Employees and Candidates

For campus and lateral candidates evaluating offers from large Indian IT firms, the comparison in Section 7 suggests two practical takeaways. First, aggregate headcount trend at the point of application is an imperfect signal of individual job security, since both contraction (TCS) and steady growth (Infosys) have coexisted with substantial, comparable investment in reskilling the retained workforce — meaning a candidate should weigh a firm's stated skill-development pathway at least as heavily as its headline hiring or layoff news. Second, the emergence of named, large-scale specialist-hiring programmes such as TCS's forward-deployed engineer initiative signals that entry into a narrower set of AI-specialist career tracks may increasingly command differentiated compensation and visibility (reflected in TCS's reported ₹9 LPA-plus, ₹50,000 joining-bonus AI-hiring drive for 2–4-year-experience professionals) relative to more traditional generalist delivery roles, a distinction candidates with relevant AI/cloud/data skills may wish to factor into how they position themselves during recruitment.

10. LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

This study's central limitation is that it relies entirely on what TCS and Infosys, and journalists reporting on them, have chosen to disclose publicly. Neither company publishes a standardised, audited breakdown separating AI-attributable workforce reduction from ordinary attrition, performance exits, or redeployment failure, meaning the comparative claims in Section 7 — particularly around TCS's headcount decline — necessarily rely on the companies' own characterisation of causation, which carries an inherent risk of favourable self-presentation. The study also compares only two firms and cannot establish whether the patterns identified generalise to the wider Indian IT sector, though the India-wide labour-market data reviewed in Section 2.2 provides some corroborating context. Figures drawn from business press reporting, while sourced from credible outlets, are themselves frequently derived from company statements rather than independently audited data, introducing a second layer of reliance on company self-disclosure.

Future research should pursue primary data collection unavailable within this paper's secondary data design: structured interviews with HR leadership at both companies to probe the internal decision logic behind headcount and reskilling choices; a longitudinal tracking study following both companies' quarterly disclosures through FY2027 and beyond to test whether TCS's recovery trend and Infosys's steady-state pattern persist; and survey-based research capturing how prospective and current employees at each company actually perceive and respond to the differing public narratives identified in Section 7.5, which this paper can describe but not independently verify from the employee perspective.

The quantitative layer added in Section 6A is bounded by the same disclosure limits noted above: the two-proportion z-tests are computed correctly from the disclosed figures, but with only two firms as the unit of comparison ($n = 2$), no broader inferential claim about the Indian IT sector as a whole can be drawn from them — the z-test establishes that the gap between these two specific firms is unlikely to be an artefact of chance in the reported figures themselves, not that the pattern generalises across the sector.

11. CONCLUSION

This comparative case study set out to examine how Artificial Intelligence has impacted recruitment and human resource practice at India's two leading IT services firms, TCS and Infosys, using publicly disclosed data from FY2025–FY2026. The evidence shows both firms investing in AI reskilling at closely comparable scale — over a quarter of a million employees trained at each company — while pursuing markedly different headline workforce strategies: TCS experiencing its most volatile headcount period on record alongside an explicit pivot toward specialist AI engineer hiring, and Infosys maintaining steady campus intake and an explicit public no-layoffs stance. The comparison suggests that AI's impact on recruitment in the Indian IT industry is better understood as a shift in the composition and specialisation of hiring than as a simple, uniform driver of either job growth or job loss, and that how companies choose to publicly frame this shift has become a meaningful axis of competitive and reputational differentiation in its own right. As both companies, and the wider Indian IT sector, continue to navigate the transition from AI pilots to large-scale implementation, sustained and more standardised public disclosure of AI-linked workforce data would benefit not only external researchers but also the employees and prospective candidates whose career decisions increasingly depend on being able to tell these narratives apart.



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