TAMIL NADU

Techies and unions: An uneasy partnership

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With the IT sector facing a slowdown and the threat of layoffs looming large, the relevance of employees' union has become the talking point

In 2014, when there were reports about TCS, India's biggest software exporter, planning a mass layoff of 25,000 people, a little-known group, Forum for IT employees (FITE), raised its voice on behalf of those who might be at risk, and even managed to organise protests against the management.

Though the group managed to gather only a small number to join the protests, it seemed to have caught the attention of many people. TCS later dismissed rumours of mass layoffs. The office-bearers of FITE claim that they first came up with this agenda in 2008, when the forum was launched, strangely, to call attention to the state of Tamils in Sri Lanka. The group has also raised its voice in support of the Cauvery issue.

FITE is again in news now, as it is trying to register a formal union for techies, which if comes through would be the first for the IT sector in the country. The move comes as media reports of mass layoffs have emerged again. The forum currently claims to have 100 members and has chapters in nine cities, including Chennai, Bengaluru, Hyderabad, Pune, Mumbai, Kochi and Delhi.

"We have been trying to build a formal trade union for the last three years. But the challenge is to get people to join us, because in this sector, people are petrified that they would lose their jobs if they joined a union. Even worse, they are afraid that no one else will hire them if they have a history of association with a trade union," Parimala Panchatcharam of FITE.
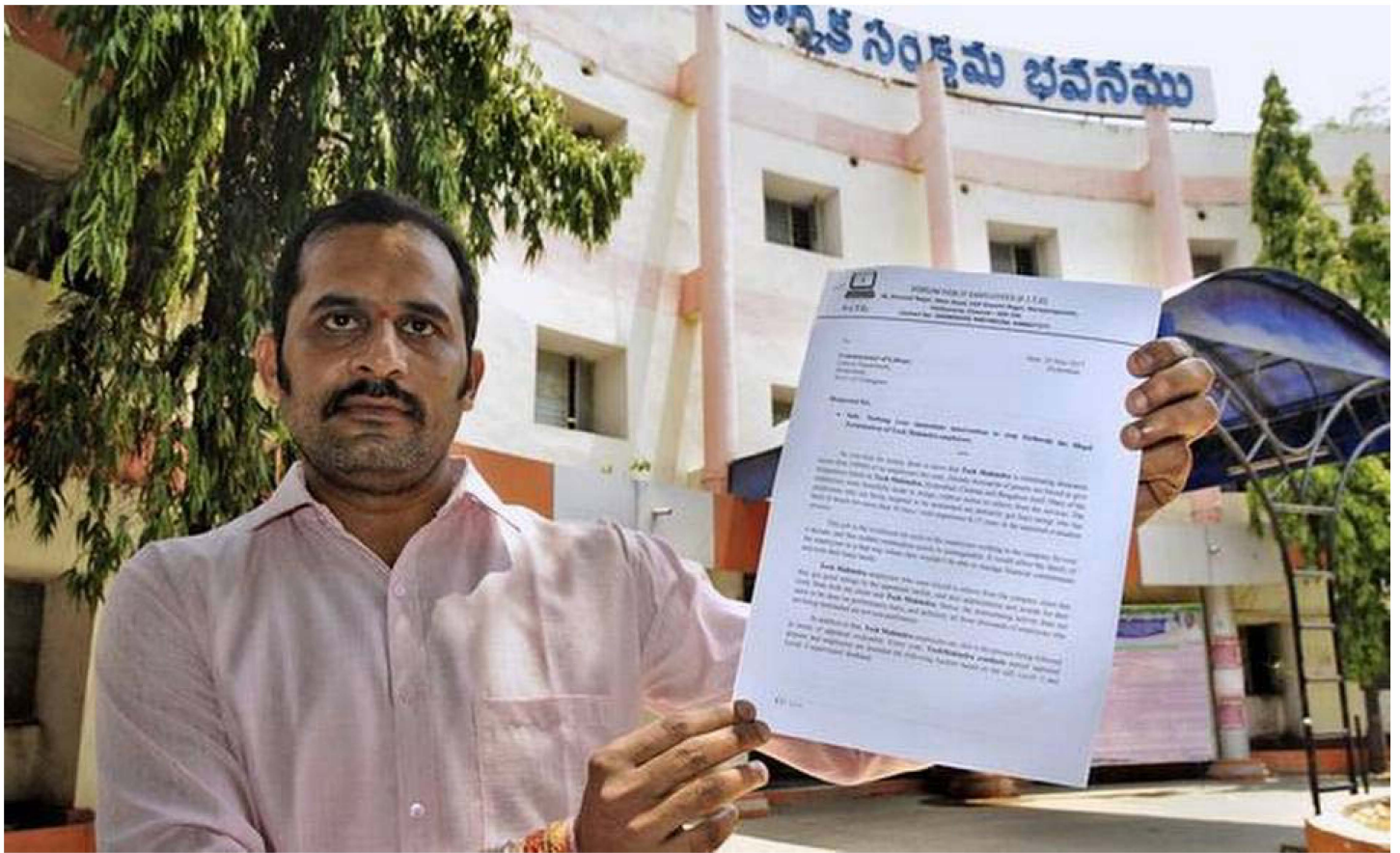
Fighting for rights: Raghava Reddy, a former Tech Mahindra employee, showing the petition submitted to the Labour Department seeking intervention in reinstating the employees who were allegedly forced to resign or issued termination letters, in the city on Thursday. | Photo Credit: G_RAMAKRISHNA

Riding the rough weather

As the $150 billion Indian IT industry, which employs close to 40 lakh people, faces a rough weather thanks to protectionism in key markets like the U.S. and U.K., the clamour about the need for trade unions to represent the interests of the IT sector employee seems to be growing.

The bigger question is, will unions, which have worked successfully in sectors like automotive, banking and other manufacturing jobs, work in IT industry where the dynamics are very different and where attrition is high.

Media reports have suggested that IT firms may fire up to 56,000 people this year, a number which apex industry body Nasscom has denied. But IT firms have maintained that layoffs are part of the performance appraisal process each year.

In their call to techies, FITE has a partner — the New Democratic Labour Front's (NDLF) IT wing. FITE is representing the case of Cognizant employees, who were terminated, before the Labour Commissioner in Tamil Nadu and Telangana and looking to take the fight to other parts of the country.

What the law says

"The Indian Constitution guarantees its citizens a right to form associations or unions. Employees in various industries, including the technology and outsourcing sectors are, accordingly, able to join existing trade unions or form their own trade unions upon following the provisions of the Trade Unions Act, 1926", said Ajay Singh Solanki, senior member of the employment and labour team at law firm Nishith Desai Associates.

"There is nothing in the law that prevents employees from forming trade unions. Seven or more members have to subscribe to the trade union while applying for registration and 10 % of the workforce or 100 people, whichever is lesser, need to be members," Anshul Prakash, Partner, at law firm Khaitan and Co said.

Despite the increasing demand for unions, the biggest challenge facing such efforts is will they be able to rope in more members, for the strength of the union is in some sense dependent on the amount of mass it is able to gather and sustain.

NDLF is a registered trade union in Tamil Nadu and Puducherry and IT is one of its wings. "We have 200 people working in the IT sector enrolled with us as members. We charge a registration fee of ₹100 per person and those joining us should give us an official ID proof. We have fought several issues on behalf of IT employees — the TCS case, and in 2015 when Syntel was firing employees we took that issue up and had a campaign," S. Kumar, member, NDLF IT employees wing, said.

He also said NDLF was in the process of forming branches in Wipro and Cognizant and once that is done, it will seek recognition from the managements for the union.

DMK's labour wing Labour Progressive Federation has also, in the past, tried convincing IT workers to join unions, but there have not been many takers, according to its general secretary M. Shanmugam.

"Most of the employees in the IT sector are fresh from colleges and they are attracted towards huge incentives and bonuses offered by the sector. There are not many experienced people to drive union activities and raise labour-related issues. The first step would be educating the techies about their rights and we will try our best in this," he added.

S. Durai Raj, coordinator South Zone, of Bharitya Mazdoor Sangh, nods in agreement. "With the boom the IT sector has seen, people never felt the need for unions. However, that equation will change as the job opportunities come down and people look for job security," he added.

If one draws a parallel, one of the segments of the services sector which has been very successful is the banking industry.

"When unions were started in the banking industry way back in 1960, there were not many takers and only clerks joined the unions. But as people started to realise the benefits, even officers started to join unions," Thomas Franco, general secretary, The All India Bank Officers' Confederation (AIBOC), said.

The AIBOC has already backed the move for unions in IT sector and is offering guidance to the forums. He said as job growth and opportunities begin dwindling in the IT sector, people would soon realise the importance of unions. A. Soundararajan, state general secretary of CITU, said they will be supporting IT employees in their own way.

"A few of them have already approached us. If we find anything wrong, we will raise our issues with the labour department," said Mr. Soundararajan.

Employees are cautious

Some of the techies *The Hindu* spoke to sounded cautious about joining the union. "Employee firings are part of an appraisal process and have happened over the years. People have found other jobs. Fighting this with a union does not make sense. Any union should have a strong face

that we can look up to. The unions that have been formed are by people who no one knows or heard about," said a Cognizant employee, who is about to leave the firm due to low performance rating. He has the comfort of joining a start-up.

An Infosys employee, who works out of the Mahindra World City Office in Chennai, said joining unions and raising a voice collectively really does not help.

"There are immense opportunities in the IT sector, so a union's intervention is not really required. I would rather suggest and recommend companies to hire as per requirement and not hire in bulk, without a requirement, and make people sit on the bench for a long time before they are let go," he said.

Will it work

Industry officials also expressed doubts over a union working in the IT set-up.

"One of the main reasons why no union has taken off is that the IT industry has the highest attrition level of almost 15-20 %. Only 3 % is involuntary attrition. People leave for better jobs and there are enough opportunities," said a senior official of a leading IT firm.

He also pointed out that the industry is well networked with people shifting jobs regularly. "Even when an employee is sent on overseas projects, the client conducts an interview and if it comes out that employee is involved in union activities it may hurt his/her chances. So employees are reluctant to join the unions."

Also, it is his view that currently unions are not spearheaded by the right leaders and right people. "The Unions' ability to earn the trust of employees is really low."

"The qualifications and profile of a software engineer, coder or analyst may not be appropriate to be a part of a union at the current state of situation," Souvik Paul Mazumdar Partner ALMT Legal said, adding that unions are more situated for the manufacturing industry.

"The IT sector works very differently and entails its own dynamics when compared to a shop floor in a manufacturing set up," Mr. Anshul Prakash of Khaitan explained.

Another IT official who is part of the current reconciliation proceedings before Chennai Labour Commissioner claimed that the forums did not turn up for talks on the last three occasions, despite the fact that the company had sent its representatives. This was not professional. "They are also not providing details of people who want resolution".

Mr. Prakash warned that the management of IT firms should not be complacent about these developments since any movement can grow in the years to come. "Employees are becoming more aware and possibilities of such employees from different IT firms to form a trade union are catching up as a trend."

Nasscom warning

Nasscom president R. Chandrashekhar has warned that employee activism or stopping work force realignment by resorting to regulations will lead to decline in competitiveness and potential loss of existing jobs.

"With a strong presence of engineering talent Tamil Nadu should not lose its advantage through such activism. Also it is easy to shift services to other state unlike a manufacturing set up. IT firms always work on business continuity plans to mitigate risks," an IT industry official said.

The forums have sought the intervention of the government. However, they have not found support from the Centre, which has backed Nasscom on the issue.

At the State level, PMK leader Ramadoss had urged the state government to look into the concerns raised for the forums.

The success of the unions in the IT sector also hinges on the upcoming Industrial Relations Code, which has to become a law.

"One of the provisions of the code provide that only employees of a particular organisation can form a union and there should be no external member to avoid outside interference and political influence," explained Mr. Anshul Prakash.

Meanwhile, the IT unions continue to do their bit, hoping that the very same ideals that made unions in the banking or manufacturing sectors powerful will inspire employees in their sector as well, even as they struggle to appeal to their target group.