

Employee identity and organising strategies: The case of the Indian IT industry

Ernesto Noronha. IIM Ahmedabad

Premilla D'Cruz IIM Ahmedabad

India is the worldwide offshore services market leader with a share of 58 per cent of the global outsourcing industry. The aggregate revenues in FY 2013 were about US\$108 billion, with exports contributing US\$75.8 billion of the total industry revenues. (NASSCOM, 2013). Industry bodies argue that the reason for this unprecedented growth at the macro level has been the 'benign neglect' of the state (Balakrishnan, 2006) while success at the organisational level is attributed to the absence of unions (Business Line, October 5, 2005) and exemptions from labour laws such as Standing Orders Act 1946 and its replacement with progressive HRM practices in organisations (Noronha and D'Cruz, 2017). It is in this context IT/ITES employers cultivated the notion of professionalism in employees by emphasizing non-hierarchical structures, informal culture, meritocracy, transparency, high salaries, career growth and workplace ambience through induction training, on-going socialization, performance evaluation mechanisms and other elements of organizational design to gain their compliance and commitment to the organisation's agenda. This play with identity certainly had implications for union formation. Not only did employees view employers in a positive light and display greater commitment to them, but also considered any third party intervention including legal protection and collectivisation as redundant (Noronha and D'Cruz, 2009), in spite of experiencing unfair termination, long hours of work, uninformed reduction of benefits, unfair treatment, non-payment of overtime, prolonged probations, sexual harassment and refusal of employers to issue experience certificates. Hence, it was not uncommon to find employees quitting their current jobs and seeking fresh appointments within India's booming IT/ITES sector rather than engaging third party intervention to redress their grievances (Noronha and D'Cruz, 2009; Penfold, 2009). Thus, unionists and activists realised that the fulcrum of their strategy should revolve around agents' professional identity. Accordingly, UNITES envisaged partnership and social dialogue with employers and good governance for its members through democratic functioning of the organization. However, the main reason for its failure has been its inability to unshackle itself from the features that inhibit traditional unions making it defunct (Noronha and D'Cruz, 2013). The recent renewed interest of organising IT/ITES employees by FITE emphasise involvement through democratic and non-hierarchical structures that cohere with the notion of professionalism. FITE faces a similar situation that UNITES faced in its initial days but the appeal to a broader pool of employees from across companies, the participative process that with FITE coordinators employed, their resolution to being apolitical, transparent and democratic functioning promises a bright future, however it is too early say that it will succeed.