

IT PROFESSIONALS FORUMS IN INDIA : ORGANISATION AT A CROSSROADS

REPORT ON A VISIT TO IT PROFESSIONALS FORUMS IN
FEBRUARY 2005

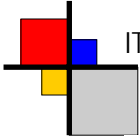


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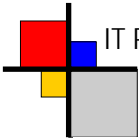
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Contents

1. Introduction: the Indian IT Professionals Forums
2. “The sky is the limit” – the services industry at a crossroads
3. IT Professionals Forums: background and history
4. The ITPF mission: securing employability and strengthening the industry
5. The services: service and support in a dynamic market
6. The road ahead: recruiting members, boosting cooperation
7. Appendix: participants and locations visited





1. Introduction: the Indian IT Professionals Forums (ITPFs)

India's IT and services industries are growing. Numerous qualified Indians are finding work in an area that lives mainly from the export of services to developed industrial nations, and displays a strong dynamic. There are hardly any regulations for employment and working conditions; they are mainly subject to market forces. The demand by companies for skills changes rapidly, and requires active adaptations on the part of individuals if they wish to remain marketable.

Since 2000, IT Professionals Forums have been set up in numerous Indian high-tech centres with the support of Union Network International. They serve as a network and service provider for experts in the IT and ITES (IT-enabled services) industries, and aim to provide the professionals with the support they need to remain successful in a confusing environment in the long term. With its closeness to the industry, service orientation, and the absence of collective bargaining, the approach of the IT Professionals Forums hardly match the features of traditional unions.

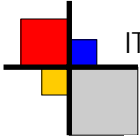
With financial support from Europe, the IT Professionals Forums have broadened their services in recent years – the most important prerequisite for attracting the demanding clientele of professionals as members. From moving services to favourable rates for insurance to training activities: the forums see themselves as an organisation that tailors its offerings to meet the specific needs of their very busy members in the areas of professional development and living conditions. In the fields of IT and ITES, numerous large, mid-sized and small companies are active, displaying a wide range of working and employment conditions. The service offerings of the ITPFs must be sufficiently differentiated to reflect this reality.

2. “The sky is the limit” – the services industry at a crossroads



Infosys campus in Bangalore

Bangalore, at the headquarters of the IT company Infosys: futuristic buildings rise above carefully manicured lawns. Between the buildings there are goldfish ponds, and nearby a swimming pool under palm trees entices employees to a refreshing evening dip. A well-kept course awaits those who prefer golf. From outside, the corporate campus resembles a holiday resort. Shady pavilions, a covered open-air canteen and billiard tables – they've thought of everything. Inside, with deadlines looming, the IT experts tinker with customer projects in air-conditioned



rooms. IT: a dream job? That's what the numbers suggest. Each year Infosys receives more than one million applications. Just one percent of the candidates make it through the rigorous hiring tests. Those who clear that hurdle find themselves working for a very attractive employer. Infosys offers regular courses, many social benefits and an evening bus service from door to door. Not to mention a salary several times higher than employee incomes in other sectors – and, as one company representative puts it, “The sky is the limit.” Those who work hard and deliver strong performance can expect to be compensated generously.

Infosys can afford it. All signs point to growth. Last year the company broke the \$1 sales barrier. New buildings are constantly going up on the corporate campus: currently the company is building its own broadcasting station. The company, which started with just a few employees in 1991, is now a world leader. With more than 35,000 employees and numerous branches around the world, the company is a key global player for IT services for western customers. Bill Gates has paid Infosys a visit, as has the Austrian president. Sales, workforce, profits – whatever chart you look at: the graph shows a sharp upward trend.

This places Infosys in very good company. Exports of the Indian IT industry are currently growing at an annual rate of 25¹. Whether it is Infosys, Wipro, TCS or Satyam: expansion is on the agenda – and not only for the industry giants. There is a constant stream of start-ups that often achieve dizzying growth rates. A similar picture is presented 500 kilometres to the north of Bangalore, on the outskirts of Hyderabad. In the software technology park HITEC City, a state-sponsored zone for export-oriented IT companies, manager Manoj Kumar describes the local competitive advantages. “Everything is available here,” he says. A large pool of highly qualified personnel with good English skills,

electricity, tax breaks and a modern telecommunications infrastructure. In Hyderabad alone, approximately 100,000 people are employed in the IT and ITES sectors. In India, the total workforce in these sectors recently topped the 1 million mark. Wherever the export-oriented service providers set up shop, islands of prosperity form in a country known for its widespread poverty. Every new IT job creates an average of eight additional jobs, says Manoj Kumar, proudly describing the latest developments. “Just five years ago there was nothing here but rocks.”



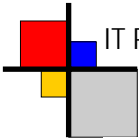
Connected to the world 24/7

In the highly developed industrial countries it has since become common knowledge that India is good for more than cheap jewellery, rice or leather goods; it also provides highly qualified IT skills to the world market. Western customers who once saw the outsourcing of sophisticated software projects to distant locations as a high-risk proposition now consider it routine. The economic downturn after the

¹ IT services include software development and other services such as system integration, database administration or technical helpdesks.

Unless otherwise specified, all figures are based on data provided by the industry association NASSCOM:

www.nasscom.org (effective: March 1, 2005)



turn of the millennium has done nothing to change this. The slump affected Indian companies only temporarily. After a short dent in growth, the Indian outsourcing industry was able to benefit from cost-cutting pressures in the west, which intensified the outsourcing trend. As a result, offshoring has become a serious issue for highly qualified professionals in western industrialised countries. Many see their jobs threatened by cheaper competitors in far-off countries who are well able to compete in terms of quality. In some countries, protectionist voices are vying against the viewpoints of economic liberals who are convinced of the competitive advantages of offshoring.

The list of countries that buy India's exported software and services is headed by Canada and the USA, which together account for 70, followed by the UK with 15. Japan, France, Germany and other European countries have also become major customers in the meantime. When the customers are broken down by sector, banks, insurance companies and financial services providers rank among the leaders. A large number of multinational corporations – from IBM and Siemens to KPMG – have their own software subsidiaries in India.

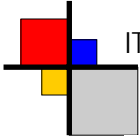
Parallel to IT offshoring, a second outsourcing trend has taken shape in recent years: the transfer of ITES and BPO (business process outsourcing) – i. e. working processes that are performed for western companies from distant locations by means of computers and telecommunication links. This includes telemarketing and customer care through call centres and the processing of financial transactions, payroll records or proofreading of publications. The list of activities is long.

One Indian outsourcing provider in the ITES sector is the call centre ECC: “Enhanced Customer Care.” In Chennai, in southern India, twenty young call centre agents sit at their terminals with headsets and carry out telemarketing for US companies. Speaking in American accents, they introduce themselves to potential customers in the USA as Nick, Clinton or Jasmine, and it would take a trained ear to distinguish them from American part-timers. This is the outcome of an “accent neutralising” training programme, which all agents undergo when they start. They make calls to the USA at night – using the time difference



Preparing digital books for US libraries

– and to the UK in the daytime. The call centre agents speak quickly. They are under a lot of time pressure: their salary increases depend on sales. ECC offers 40 telephone workstations. There is no trace of the grandeur of the IT giants. Old furniture is piled in the stuffy stairwells. In the working environment there is little decoration. Nevertheless, these jobs are also seen as very desirable in a country where a monthly income of €150 – 200 is enough to eliminate the most dire personal needs. Whether they are working in a call centre, entering data or performing medical transcriptions: many employees see employment in the BPO sector not only as an opportunity to earn a relatively good



salary, but also to move up to more sophisticated tasks.

The growth rates in the ITES/BPO segment have since overtaken those in IT services. With an export volume of \$3.6 in 2003-2004, BPO services still lag far behind the IT sector (\$8.9), but, with an annual growth rate of 46, they should catch up with IT services within a few years. Many IT companies have set up their own BPO subsidiaries. But many small and mid-sized companies are also trying to establish themselves in the international outsourcing business.

A key competitive advantage of India in the international outsourcing business is seen in the large pool of skilled workers. Most employees are young (with an average age of approximately 26); many have just graduated from university. India's educational institutions produce 120,000 IT professionals every year and several million graduates in other areas. Especially the large IT companies can afford to be selective when hiring staff. Some recruit their young employees on the campuses of the most renowned universities. Many applicants get left behind. A large number of young people who prepare for employment in the IT or ITES sectors in the hope of earning high incomes do not find the jobs they dreamed of.

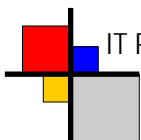


Students attending an IT quiz in Hyderabad

3. IT Professionals Forums: background and history

IT professionals do not display a strong tendency toward collective organisation. This applies equally to highly skilled staff in western industrialised nations and to their Indian colleagues. The performance-driven high-tech experts are used to representing their own interests. In a phase of economic growth, their market status and individual negotiating power are generally sufficient to obtain favourable conditions. Various attempts by unions in India to organise IT experts under their own roof have so far been unsuccessful. The approaches were too traditional, and unions were too disreputable: "Many unions are hostages of political parties. Their positions are destructive," says M. K. Swaminathan, the president of ITPF in Bangalore, an experienced trade unionist. In particular in the booming Indian industry, which is tied to hopes of prosperity in the eyes of entrepreneurs as well as employees, this kind of organisation does not fit into the picture: "We want to let the industry grow," says the ITPF representative.

The ITPF wishes to represent an autonomous form of representation of interests for professionals – unburdened by the militant image of traditional unions in India and existing organisational practices. The IT Professionals Forums focus on the concerns of highly skilled professionals in a digital economy, and wish to pursue these concerns in their own way. The mission: "To give the IT Professionals a



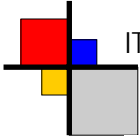
voice, broaden their knowledge, foster their interests and contribute to the growth of the ICT sector.” In 2000 the first IT Professionals Forums were formed in Bangalore and Hyderabad. They were supported from the start by the international union umbrella organisation Union Network International, with which the forums are still associated. The first forums were set up in the course of a “stimulated grassroots initiative.” The first impetus came from trade unionists from the post and telecommunication sector whose children were working for IT companies. They attracted other interested professionals, and the initiative soon snowballed. Funds from Europe (from the unions SIF in Sweden and HK in Denmark) helped to finance recruitment events, offices and a small staff. Before long, new chapters opened in Hubli, Mysore and Visakhapatnam. In the summer of 2003 new forums were formed in Chennai and Mumbai. At present a forum is getting started in Kerala. The next city on the agenda is Delhi.

The forums, which now have a total of about 3500 members, work autonomously. The conditions at the various locations differ greatly. For example, most members of the ITPF in Mysore are students. In Hubli, where the situation is relatively uncomplicated, the forum has representatives of many employers who have professional contacts to the ITPF chairman, a lawyer. Here company managers actually recruit members for the ITPF among their workforces. The annual dues for the forums amount to 350 rupees (approx. €7.00) for professionals and 250 for students. The IT Professionals Forums have relatively few staff members. The big forums in Mumbai, Chennai, Hyderabad and Bangalore each have a paid secretary or coordinator, supported in some cases by other assistants. The decision-making body is the Executive Committee, consisting of a handful of members, a chairman and treasurer. Since 2003 (with the financial support of the Belgian union BBTK) a National Services Center has been set up with the aim of professionalising the forums’ work at all locations and raising the quality to a higher level. This includes systematic analysis of needs and the development of high-quality services for all forums and support for marketing activities. The NSC is an India-wide unit, but operates from the office of the ITPF in Karnataka. This proximity – in physical terms and in terms of

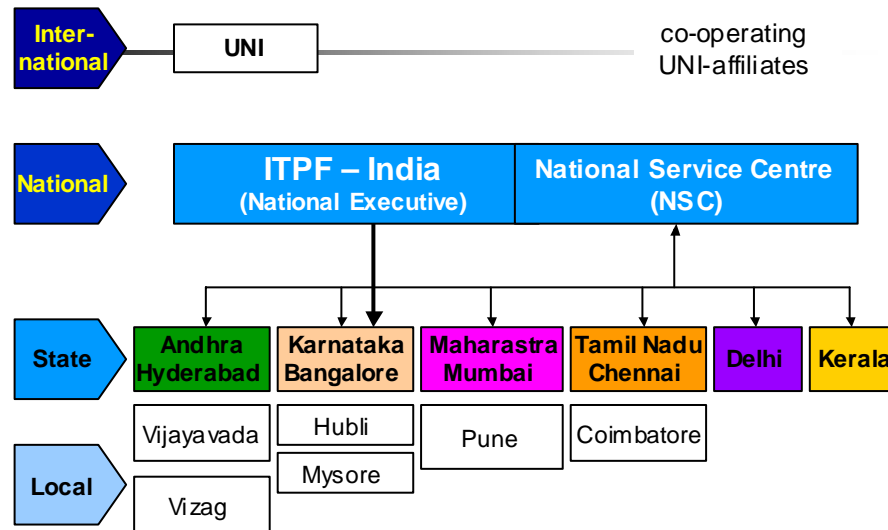
the unit’s close ties to the ITPF staff in Karnataka – is not without its problems for relations among the various forums.



« The Pearl », phase three of the STPI Hyderabad



IT Professionals Forums: organisational structure



4. The ITPF mission: securing employability and strengthening the industry

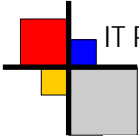
The IT Professionals Forums want to support their members in ensuring their professional development in a market that offers opportunities, but is also complex and uncertain. “A forum should enable the IT professionals not only to survive in the turmoil of the market, but also to manoeuvre and develop their careers,” says Gerhard Rohde of UNI. “In addition they offer services that are not provided by employers or the state social system.”

They direct their efforts towards specialists in the IT industry and employees in the ITES/BPO sector. Despite occasionally divergent conditions in these sectors, they have such common features as the intensive utilisation of IT and telecommunication technologies, heavy pressure to perform, and in most cases an international working environment.

The appeal of the forums to this clientele includes an informal exchange among professionals, information on the latest market trends, and training in areas neglected in university education. Mobility services or placement consultation is intended to foster the specialists’ professional development while boosting their personal interests. Thus the forums’ offerings are not limited to working life in the narrow sense. The programme also includes issues related to the work-life balance, health or the frequently very long commuting distances in India.

Focus on growth: consensus-seeking as a guiding principle

Unlike conventional unions, the ITPFs see themselves more as a platform for the professionals than as a genuine employee representation body. Whether they are software developers or freelancers, human resources managers, professors of computer science or students: the ITPFs are open to everyone whose professional activities are related to the IT or ITES/BPO industries. “We organise professionals



- regardless of their position or sector. We even have a CEO as a member, “ says M. K. Swaminathan, the president of the ITPF in Karnataka. The India-wide coordinator of the forums, Amar HN Murthy, says: “Managers in the ITPFs can help us to offer better services to members.” In their dealings with companies, the forums focus mainly on the exchange of information and communication, and place little emphasis on conflict. Their cooperation with HR managers enables them to contribute their knowledge on work-related stresses and make salary proposals to the industry. Cooperation



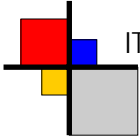
The « Arch », phase two of the STPI Hyderabad

with universities is of similar importance: “We serve an important bridging function between industry and educational institutions,” says Srinivasa Rao, an ITPF member in Hyderabad. Universities often lag behind the skills profile needed by companies, and the intensive cooperation is seen as a means of closing this gap.

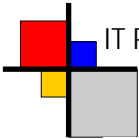
From a traditional union standpoint, the blurred boundary between employees and companies calls into question the ability to engage in conflicts. “Initially, some unions vehemently criticised our approach,” recalls Gerhard Rohde, who heads the project at UNI. “But I think this is the right way to go at the moment. The Indian IT industry is on the upswing, so that confrontational problem-solving is hardly necessary. Employers have the need to hire and retain the best employees. Their behaviour is quite civilised.” However, one day collective bargaining could definitely become an issue for the ITPFs - depending on how the industry develops. “Time will tell whether the forums develop in the direction of unions,” says M. K. Swaminathan of the ITPF in [Karnataka](#). In the opinion of the participants, the initial experiences show that professionals’ needs are best met by a network organisation with close contacts extending into companies.

5. The services: service and support in a dynamic market

The range of services of the ITPF is broad. An exhaustive description is difficult, since the forums adapt their services very flexibly to changing conditions and local needs. True to the principle of localisation, some services play an important role at certain chapters and are practically irrelevant elsewhere. After an overview of the key services of the IT Professionals Forums, the following text will describe specific aspects of the forums’ work in more detail.



Networking and information	
Social events	Informal conversation, fitness, relaxation
Professional libraries and scientific studies	For example, survey on work-related stress in call centres and the
Salary checker	(under development) The web-based salary calculator will enable the professionals to carry out a systematic comparison of their salaries with comparable positions in other companies (in cooperation with the Wage Indicator Foundation in the Netherlands)
Online information on job openings and	Online job market with job descriptions and applicant profiles (in the
Seminars	On such topics as market trends, technologies, stress reduction
Individual consultation: HI-LIFE for professionals	
HI-LIFE stands for a range of personal services related to various professional and personal aspects of the specialists' lives: health – immigration/relocation – legal – insurance – financial – employability	
Mobility consultation when moving within India or abroad	Information will be systematically provided to the professionals and contacts arranged at their destination (e.g. for finding accommodation). The UNI Passport offers members world-wide support through sister organisations.
Financial, investment and tax advice	For instance seminars on investments with tax relief
Legal advice	Advice from lawyers, either free of charge or at reduced rates, especially in case of workplace disputes
Group terms from commercial providers, particularly insurers	At present, accident insurance is under discussion. Others will be added. However, this will require total membership to reach a critical
Career and placement consultation	For professionals searching for (new) jobs. In view of high unemployment, there is still scope for placement consultation.
Training (in some cases, in cooperation with universities / educational institutions)	
Special technological training	e.g. embedded systems, Linux, J2EE,...
Training in soft skills	e.g. communication, presentation and negotiation training
Vocational qualification training	e.g. medical transcription, call centre, SW testing
Certification	e.g. in soft skills, ITES



Using win-win situations, improving working conditions

The current market situation in the IT / ITES sector offers a good starting point for a dialog with the industry. The companies are interested in offering attractive conditions to employees and retaining people in the long term. The very high 25 - 40 percent staff turnover levels of software and BPO companies represent one of their main personnel problems. Employees who receive more lucrative offers from another company are quick to accept. As a result, companies repeatedly lose experienced people and suffer from a lack of workforce continuity: one of the main impediments stopping Indian companies from taking on sophisticated work, since this requires the long-term development of know-how. Companies are therefore willing to do a lot to retain their employees. In many cases, employees planning to leave are offered attractive alternatives within the company. Some companies regularly pay "loyalty bonuses" to their staff. "The industry is very interested in employee satisfaction," says S. M. Govindarajan, a manager from Chennai and the president of the IT Professionals Forum there. This attitude is the starting point for the IT Professionals Forums when they discuss improvements with employers, for example in connection with health and safety. For example, the ITPF in Chennai suggested that companies should give paid breaks to call centre agents to reduce the stress from hours of telephoning. "When they realise this, their turnover rates will also decrease. It therefore indirectly benefits the employer as well," says S. M. Govindarajan. This approach has also led to other employee-friendly solutions being introduced to companies, such as the improved bus service for employees.

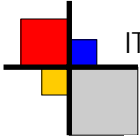


Cognizant in Pune

Unemployment: easing entry for newcomers to working life

While companies make efforts to recruit and retain skilled and experienced employees, other people looking for work have considerable difficulty getting a foothold in the working world. Unemployment in the IT and ITES sector is high. The export-oriented services industry attracts large numbers of graduates from various disciplines who often try to improve their qualifications through additional training, for instance in software development. Quality standards vary greatly, and numerous young graduates fall for the inflated promises of questionable training providers. "Some think there is a quick and cheap way of getting fast-track qualification to qualify for an IT job," says Srinivasa Rao, a member of the ITPF in Hyderabad. He adds that many young students hoping to use a crash course to gain access to the highly desirable IT industry in the end only have the choice of modestly paid office jobs.

A number of activities of the IT Professionals Forums are intended to ease graduates' entry into the labour market - whenever possible to obtain highly skilled IT or ITES jobs. One approach is the use of the forums' industry contacts to provide job seekers with information on available jobs. Online profiles of applicants and positions are also planned. Individual placement consultation is also offered in



some cases. The ITPFs are considered trustworthy – unlike numerous private-sector agencies. Nikhila Avasarala, a student from Hyderabad, says: “Many consultants demand a large sum of money, promise a lot and do nothing.” However, in view of the high unemployment figures, the ability of the ITPF to help job seekers at present should be assessed with caution: “Unemployment is extremely high. When it comes to placement promises, I tend to be careful,” says Amar NH Murthy from Bangalore. The ITPFs place greater emphasis on equipping applicants with what they need for their search.

There is often a wide gap between the needs of industry and skills acquired at university. “At present, academic institutions are unable to meet industry requirements,” says Amar NH Murthy. To close this gap and to prepare those starting their careers for a job, the forums offer a number of training courses. At present, courses are offered in medical transcription and call centre work. A course in software testing is starting. Particularly in the area of so-called soft skills, many people entering the workforce lack basic knowledge, as a study conducted by the ITPFs revealed. In this area the forums want to define standards and establish their own certification. The possibility of obtaining certification for specific skills is expected to yield considerable benefits for applicants: “Many students have one application after another rejected. A certificate clearly shows where they are.” In addition to the information on jobs and training, the creation of transparency thus plays a key role in a complex market.

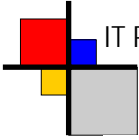
Low-end jobs, high-end jobs – and the path between them

There is a broad spectrum of salaries and working conditions separating the companies of different sectors and sizes. Many IT companies employ highly qualified personnel in sophisticated projects and pay salaries that give recent graduates higher incomes than university lecturers. In addition, most multinational companies offer training and various social benefits. However, in the software sector there are companies (most of them relatively small) that have not yet moved up in the value chain, and cannot keep pace with the benefits paid by their larger competitors. “The assumption that everyone employed in the IT sector has excellent working conditions is false,” says ITPF coordinator Amar NH Murthy. “It is only true for some. There is a large number of companies with 25 or fewer employees. Their standards are substantially lower.”



Promoting the wageindicator.org for India

The conditions in the ITES/BPO segment are different again: Some BPO companies perform sophisticated tasks for their customers, performed by highly qualified, well-paid workers. Some have the ambition of continually moving into more complex activities – “from business process outsourcing to knowledge process outsourcing.” In general, however, the tasks in the BPO segment are simpler



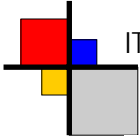
and the entry-level salaries much lower than in the IT industry. A majority of the jobs do not require particularly high qualifications. A degree in any subject, a knowledge of English and a brief training course are often sufficient qualification to get hired. Many ITES companies set up their operations in rural areas to benefit from lower wage levels. Long-term investments in training or extensive social benefits are often entirely absent. Small and mid-sized companies in particular are often at the low end of the value chain where monotonous, simple tasks are performed.

The ITPFs are trying to address the unfavourable employment conditions in this industry. In case of employer unfairness or misconduct, the forums provide the members with legal aid or attempt to talk to the employer – for example when employees are dismissed in violation of their contracts. With their numerous training programmes the forums compensate for the frequently lacking human resources policies, particularly at small companies. “These companies face tough competition. They work with very narrow profit margins because they want to demonstrate their skills to attract customers,” says S.M. Govindarajan from Chennai. “They are simply unable to engage in staff development – unlike Infosys or TCS, who have established systematic processes for it.” With its training activities, the IT Professionals Forums want to enable individuals to build their skills to move into more demanding areas that often require solid knowledge in specialised areas (e.g. law, medicine, finance): “Someone who repeatedly performs the same monotonous tasks in a simple BPO job gets frustrated at some point,” says S.M. Govindarajan. “We want to take as our starting point a sort of career counseling. ITES is then a springboard, and we offer the possibility of growing into a more demanding area.”

The compensatory function of the ITPFs for benefits not provided by companies is also arousing the interest of some employers. Some managing directors actively encourage their employees to become members of the IT Professionals Forums and deduct the ITPF membership dues directly from their salaries. They wish to use the training and services of the IT Professionals Forums as compensatory measures when they as employers cannot provide their own social benefit packages or full training programmes.

Keeping up to date: following trends and technologies

The markets and current technologies in the IT sector are subject to rapid change. Know-how becomes obsolete from one day to the next, and the market constantly demands new skills. “IT professionals have to update their skills on a regular basis to keep pace with the latest trends, ” says S.M. Govindarajan, the ITPF president from Chennai. “Today it’s dot.net, tomorrow Bluetooth, and the next day it will be something else.” With the constant pressure of new projects, companies often lack the time for employee training, and the IT professionals, with their heavy workloads, do very little on their own initiative to upgrade their skills. “When someone works from morning till night, when is he supposed to find time to learn?” asks Durga Prasad, the secretary of the forum in Hyderabad. But learning is exactly what the specialists need to do to secure their long-term employability, because companies give preference to professionals who have the latest skills at the ready. In a labour market that offers little protection it is therefore crucial for employees to keep an eye on their own marketability.



The IT professionals forums support their members in maintaining an overview of the most important current trends and the skills in demand, and in acquiring these skills. “Many professionals are doing well today,” says JSR Prasad, the president of the forum in Hyderabad. “But it is our task to bear in mind their future. It is a key responsibility of the ITPFs to identify new trends and inform the professionals.” For this purpose, the forums stage regular events and seminars that address trends in markets and technologies. With discussions on such topics as J2EE and dot.net, Linux and Windows, Java or embedded systems, the forums wish to broaden the professionals’ field of vision beyond their current projects and help them to keep pace with changes.

Reducing stress and managing private life

Work in IT-related service sectors is considered highly stressful. Particularly in the IT sector, employees are extremely performance-driven, and project deadlines are tight. Despite employment contracts that specify an eight-hour working day, the pace is set *de facto* by project requirements. “Working days often last 10 or 12 hours. Deadline pressures are constant. Often it’s work, work, work, without a break for a month. Even lunch is cancelled,” says a member of the Mumbai forum. “Some people cannot sleep. It’s not only a mental problem. It also has visible effects on health.” In the ITES/BPO sector, output-based remuneration systems (e.g. telephone sales figures or document output) exert heavy pressure on the employees. Wherever Indian professionals have live contact with US customers, they work night shifts: a form of work that largely robs them of their personal and family lives. Some see themselves alienated from their social environment, which is all the more serious in India because individualised lifestyles are not (yet) as common as in western industrialised countries.

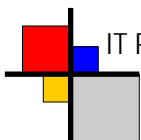


IT training lab of ITPF Bangalore

Although basic working conditions are outside the sphere of influence of the IT Forums, they try to achieve isolated improvements through a dialog with employers – for example by introducing paid breaks in call centres, or ergonomic workplace design. The ITPFs focus on education. Seminars on stress management or the work-life balance are intended to make it easier to cope with work-related stress. Participation is not limited to IT professionals; HR managers can also take part.

And not to be forgotten are forum activities that simply serve to bring people together for fun and relaxation to compensate for the performance-driven, tiring workplace routine. The forum in Mumbai has a number of fitness and leisure-time events for professionals in its programme – for instance an event for ITES employees: “It will be a pure fun and entertainment programme, with a DJ and dance music – ‘Dancing to the tunes of UNI,’ ” says Ajay Kaundal, the secretary of the Mumbai forum.

The forums place particular emphasis on relieving the professionals’ time pressures through activities that offer them support in their personal lives. “While our members are absorbed in their professional



work, we take on some of their personal tasks,” says Amar NH Murty, the India-wide coordinator. Some of the HI-LIFE services originated here: by organising fitness and leisure activities, and providing tax and investment advice or relocation assistance, the forums hope to provide relief for the professionals and give them more space for their personal lives.

Fighting the digital divide: eliminating disadvantages

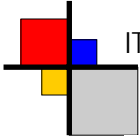
Many IT and ITES/BPO professionals come from relatively wealthy families that can pay for a good education for their children. In addition to supporting this relatively well-off clientele, the ITPFs also focus their activities on the less privileged side of society. India is a country of extremes and contrasts between rich and poor that often shock western visitors. About 35% of the population lives below the poverty line, and the literacy rate is slightly higher than 50%. There is no state-run social security system comparable to those in western industrialised countries. The social class into which an individual is born largely determines his or her educational and vocational opportunities. This also applies to a large extent to IT-related skills and the chance of finding employment in one of the booming service sectors.

There is a “digital divide” in India, not only between poor and wealthy citizens, but also between the city and the country. To help overcome this gap, the IT Professionals Forums have placed the introduction of information technology in rural areas on their agenda. The forums support projects intended to give underprivileged citizens access to IT or ITES jobs. In Tamil Nadu, for instance, the software company LaserSoft is taking the call for equal opportunities seriously and integrating persons with physical disabilities into its regular production process.

LaserSoft and LITE: equal opportunities and profits

LaserSoft, a software maker with headquarters in Chennai, specialises in products and solutions for banks. The company was formed in 1986 and has 500 employees. 10% of the workforce is made up of individuals with underprivileged backgrounds or physical disabilities. The founder and CEO, Suresh Kamath, is regarded as a visionary whose goals are not limited to the commercial side of success. In his view, offering employment opportunities for gifted and committed workers – regardless of their origins and physical limitations – does not run counter to the company’s ability to earn profits. On the contrary, LaserSoft has been hiring disadvantaged people for years, and is fully convinced of their ability to perform and their loyalty. “Many of them have a lot of talent. The only important consideration for us is that they are really committed to what they’re doing,” explains Samba Siva Rao, the vice president of LaserSoft. This is underscored by some impressive careers at LaserSoft and the company’s success in the market.





Appavu Karunakar is in a wheelchair. He completed his Masters Tech. degree at IIT Chennai, a top institution. From a professional standpoint, he breezed through the on-campus job interviews of major companies in search of gifted graduates. But he did not get a job. The reactions were always the same: "Your qualification is good. But we don't know how we could integrate you into our company." In many cases, his mobility restrictions or the lack of lifts was the deciding factor. Again and again, Appavu Karnunakar heard the promise, "We'll get back to you," and at some point he got used to the fact that he never heard from them again. After 70 unsuccessful interviews he finally came across LaserSoft and was hired as a software engineer. He is now a senior manager in R&D. The company's management emphasises that this has nothing to do with charity. "He helps us, and by doing so he helps himself. The benefits are mutual," says the company's vice president. "These people don't need pity. They are gifted and have something to offer." Accordingly, employees with physical disabilities are fully integrated into the production process.

R. Selvakumar, a young computer science graduate who is highly mobile despite his disability, confirms, "There is no discrimination at LaserSoft." He also spent a long time applying unsuccessfully for jobs until he saw a newspaper article about LaserSoft and got his start there. Since



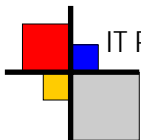
R. Selvakumar introduces LITE, the new training institute for physically challenged IT Professionals

he was hired as a COBOL programmer in 2001, he has had a remarkable career. In 2004 he became the coordinator of the LITE Institute, a training institute for the disadvantaged sponsored by LaserSoft. LITE offers gifted graduates a six-month IT training course that qualifies them for skilled work in the IT industry. The material covered includes Visual Basic, Oracle, Java, C and C++ as well as soft skills and live projects. Many of the students are taken on by LaserSoft after successfully completing the course. At present, LITE has 11 students, but plans call for the institute to grow. The next course will have 25 students.

By carrying out projects of its own, LITE wants to reduce its dependency on financial support from LaserSoft. "When we receive funding, that's charity. But when we implement projects, that's business. And that's exactly where we want to go," says R. Selvakumar. There are close ties to the IT Professionals Forums – also for the placement of graduates with other companies. With the educational successes achieved so far, the project can truly serve as a model. Creating an awareness of equal opportunities in other companies is also one of the foremost aims for which LITE is counting on support from the IT Professionals Forums.

6. The road ahead: recruiting members, boosting cooperation

Since their formation just over four years ago, the IT Professionals Forums have some achievements to



show for their efforts, and have developed numerous services for their members – ranging from emergency support to a dialog with the industry and universities to comprehensive training programmes. The forums' regional expansion has surpassed expectations. “Today the number of chapters exceeds our original target,” observes Gerhard Rohde of UNI: “The development and spread of the forums within India has been a complete success.”

There are also weaknesses. Membership figures have not increased as expected. The forums have taken too long to develop the services of their own that are seen as necessary if they are to appeal to the professionals. The ITPF website – the core of any marketing appeal to an IT-based clientele – was only recently completed. Not all registered members have actually paid their dues, and the member administration is still inadequate. In addition, the individual forums, which operated autonomously for a long time, have yet to establish smooth communications at the national level.

Building the member base and motivating volunteer staff

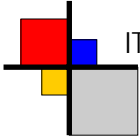
Both the member base and the forum volunteers clearly show that the forums cannot ignore the strong dynamic of their operating environment. Membership growth is the decisive factor for stabilising the forums. With informative events or creative, attention-grabbing campaigns, the forums continually succeed in signing up large numbers of new members all at once. For example, the “Techno Quiz,” a quiz show hosted by the ITPF in Hyderabad in February, attracted a large crowd of young people. Immediately after the event, approximately one hundred students registered with the forum. “We have to organise this kind of event to attract new members,” remarked Captain Rao of the Hyderabad ITPF, who would like to see more activities of this kind. “Sitting in our offices with an excellent infrastructure does not get us anywhere.”



Delegation being welcomed by JSR Prasad, President of ITPF Andhra Pradesh

However, retaining members is at least as difficult as recruiting new ones. As in the industry, there is a high turnover rate. “The members move from one company to another – and we don't even notice,” says JSR Prasad of the Hyderabad ITPF. Many professionals also move to another city when they quit their jobs, and the forum loses them as members. This also reflects the inadequacies of member administration up to the present and the lack of regular contact. “We have to develop a system for reminding members of our existence on a regular basis and reducing member turnover,” says M. K. Swaminathan of the Karnataka ITPF. This includes such activities as the production of regular newsletters, or efforts to contact members. There are also discontinuities among the volunteer helpers. The forums urgently need the support of these volunteers – who are usually professionals with strong career commitments and little time at their disposal. When members are highly active for a certain period of time, take projects in hand, and then disappear, things tend to grind to a halt – as in the case of the website.

Retaining members and volunteers in the long term will be one of the key challenges for the ITPFs. The extent to which younger members feel motivated to play an active role is likely to be vital



in forums still dominated by the pioneering members who got them started. To develop professional services for professionals, the forums need committed “up-and-coming” helpers from the IT or BPO industries. 24

Communication: overcoming distances, creating transparency

The IT Professionals got started with individual forums at various Indian high-tech centres that frequently compete for business. The regional ITPFs worked independently of one another for the most part. It is now hoped that the National Service Centre will help to boost activities at the national level. To do so, it must bridge substantial geographical distances and regional differences. About twice a year there is a meeting of the national coordination committee, which has representatives from all forums. In the meantime, cooperation is organised at a distance. Again and again, however, the communication among the forums is shown to be too tenuous. “We need a free flow of information, but there are gaps,” says an active member.

A key principle of the ITPFs is to make successful approaches of one forum available to the others. “We want to take prototypes that succeed in one forum and adopt them at the national level,” says S. M. Govindarajan from Chennai. This will make efficient use of the competition that definitely exists among the forums. A large amount of this innovation potential has so far remained unused because a great deal of information on current trends within one chapter does not reach the other forums. One of the most urgent goals at present is therefore to create more transparency. Only with solid cooperation across regional boundaries can the ITPFs succeed in making optimal use of their collective strengths and develop services with the greatest possible efficiency and broadest possible impact.

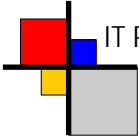
Targeting BPO professionals: a new union?

At some locations, new competition is taking shape for the ITPFs: in Hyderabad and Bangalore, so-called Centres for BPO Professionals (CBPOP) are trying to recruit members in the workforce. Their goal is to organise ITES/BPO professionals: a clientele for whom the IT Professionals Forums already offer a wide range of services and programmes. The CBPOPs are pursuing a strategy closer to that of traditional unions, and focus primarily on protective rights and collective bargaining; in some companies, the CBPOPs have launched highly visible campaigns against human rights violations in the workplace.

With regard to ITES/BPO employees, the CBPOPs are new competitors for the forums with a different orientation. The factor causing a contradictory public image is the fact that some leading ITPF members are simultaneously playing leading roles with the CBPOPs. To preserve a clear direction – both within the forums and in the public eye – it will be necessary to define clear boundaries between the ITPFs and the CBPOPs, also in terms of personnel.

Outlook: “Nothing can stop us”

To become self-sustaining organisations, the IT Professionals Forums must build a larger and, above all, more stable member base. The forums still rely on help from abroad. One of the key challenges for the ITPFs is therefore to professionalise their services and, for this purpose, to organise themselves better, also across regional boundaries. The forums certainly have no shortage of innovative ideas. Nor do they suffer from a lack of confidence: “Nothing can stop us from getting 10,000 or 20,000 members within a few years,” says a member in Chennai.



If the forums are successful in the long term and demonstrate that they create value for the professionals, then they could serve as an inspiration beyond India's borders. In other countries, too, unions are discussing the question of how they can do a better job of meeting the needs of highly qualified employees. Consequently, other unions are showing a keen interest in the development of the IT Professionals Forums.

Interview with Gerhard Rohde, the head of UNI IBITS

Gerhard Rohde coordinated the IT Professionals Forums project right from the start, and is in close contact with the sponsoring organisations in Europe and the ITPFs.



The IT Professionals Forums have been in existence only for a few years. The priority is now member recruitment. What do they need to offer potential members?

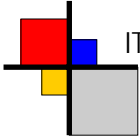
At the start, when they were set up, people paid dues without receiving anything in exchange. They simply liked the idea. To organise new members, it is now necessary to offer a range of services. For IT professionals it is not enough simply to reach sufficient strength for collective bargaining purposes as in the world of traditional unions. Services are a key aspect. In the meantime, services of the kind required have been developed to a large extent with the HI-LIFE programme and now have to be marketed. For this purpose, an efficient organisation and administration are needed.

So far the IT Professionals Forums have received funding from the west. What is the time horizon for this sponsorship?

For the next two or three years it will certainly still be necessary to provide external funding to ensure that the IT Professionals Forums can build an adequate organisational basis and professionalise their services. In the long term, however, the IT Professionals Forums must stand on their own feet and finance themselves with their own income – in other words, revenues from membership dues and fees for services.

What can other employee organisations learn from the ITPFs?

Unions in other countries all have their own histories and certain structures. As a result, it definitely will not be possible to transfer the ITPF model on a one-to-one basis – especially to places where unions represent a broader range of sectors and employees. But even in these places, there is a debate on the relationship between the collective representation of interests and services. Benefits can be derived from the ITPF model particularly in countries where established organisations do not yet exist – in some countries in Asia, Eastern Europe or Latin America. If the IT Professionals Forums prove to be self-sustaining, they could serve as an innovative model for the organisation of professionals elsewhere.



7. Appendix: participants and locations visited

This report is based on a visit to the IT Professionals Forums in India between February 16 – 24, 2005. I wish to express my heartfelt gratitude to the active members of the IT Professionals Forums who arranged numerous interesting company visits and discussions for us.

Members of the delegation:

Karin Bancsi, HK-Privat, Denmark

Karin Retvig, HK-Privat, Denmark, President of UNI IBITS

Gerhard Rohde, UNI IBITS, Switzerland

Ann-Helen Westrup, SIF, Sweden

Bert Zetterberg, SIF, Sweden

Karin Hirschfeld, id text, freelance journalist, Germany

The itinerary:

ITPF Andhra Pradesh, Hyderabad

ITPF Karnataka, Bangalore and Mysore

ITPF Maharashtra, Mumbai

ITPF Tamil Nadu, Chennai

Companies and organisations visited:

ACRIS Informatics (Medical Transcription), Chennai

Byrraju Foundation – Centre for Rural Transformation, Hyderabad

CIST Centre for Information Science & Technology, University of Mysore

Enhanced Customer Care, Chennai

HITEC City (Software Technology Park), Hyderabad

Infosys, Bangalore

LaserSoft und LITE training institute, Chennai

Orange, Chennai

Satyam, Hyderabad

Vinayaka IT Park, Chennai