

1) We need to relook how we handled the issue of layoffs, says N Chandrasekaran

The IT services major has lately been in the news after laid-off employees aired their grievances on social media

**[Shivani Shinde Nadhe](#) & [Sheetal Agarwal](#) | Pune/Mumbai
January 20, 2015 Last Updated at 00:47 IST
Business Standard**

N Chandrasekaran, managing director and chief executive officer of India's largest information [technology](#) services provider, [Tata Consultancy Services \(TCS\)](#), says the company is in growth mode and there is no reason for any personnel restructuring.

"We only drive the performance structure," he said.

TCS had in recent weeks been the subject of reports of a large number of layoffs. [It](#) has denied such an action and stated "involuntary attrition" is usual at one to two per cent of total employees. However, several employees have gone to social networking websites to vent their grievance.

"We are a people-oriented company. I have come through the ranks, I know exactly what a person with an experience of 10 years would be feeling. Involuntary attrition in the company is not new. Why did it become an issue this time around, we need to rethink. We also need to relook at how we handled the issue — should we have reacted immediately or have reached out to people on social media, etc," said the MD.

Chandrasekaran hasn't worked anywhere else. He joined TCS in 1987 after a postgraduate degree in computer applications from Regional Engineering College, Trichy, Tamil Nadu, in 1986, and a Bachelor's in applied science from the Coimbatore Institute of Technology.

If someone was identified as non-performing, they must have had a record of multiple years of not doing well or it had to come from the business head, he felt.

Both Chandrasekaran and Ajoy Mukherjee, global head of personnel at TCS, reiterated there was no target ever in these matters. Mukherjee said his team was reviewing why the issue grew to such an extent.

"We have an appraisal process twice a year. Everyone goes through it and at the end of this, a performance rank is given and that is what decides an individual's compensation. At junior level, the process is different — one rank will not decide what you get, as people need to be given an option to improve and upgrade. The process at the mid to senior level also takes into consideration training and upgrading options," he said.

He's quick to add that if an individual does not take an initiative to improve, the company has had to let them go. "At some time in life, when we see that an individual is not taking necessary steps to grow and is comfortable at what they are, and even at that one role, the individual is not doing better than an individual who comes after him/her, then we need to take a call. If you continue to be average, that means you are not improving," he said.

TCS has also for the first time given data on some details of this 'involuntary attrition'. For the first nine months of this year, TCS said the number of such employees was 2,574 or 0.8 per cent of the total employee strength. The corresponding numbers for FY14 and FY13 were 2,203 and 2,132, respectively. "The total involuntary attrition for the current fiscal year will be around one per cent," TCS said. At the end of December, the staff total was 318,625.

Mukherjee says employees subject to this were given three months of salary, all the medical benefits for the financial year and outstation agency help to find a suitable job. "Someone who has been in TCS for such a long time is not a bad person. It's just that in our environment, they are not able to fit and grow the way we want them to."

He agreed that losing a job was not easy for anybody, nor was it easier for a TCser to communicate this. "In social media, anyone can comment and join the discussion. It is a learning for us," he said.

2) Sleepless nights for TCS

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Livemint

Read more at: http://www.livemint.com/Companies/nYz0jRMldzeqgSiKOF5xKL/Sleepless-nights-for-TCS.html?utm_source=copy

Mumbai: It started innocuously, on 11 December, at a Tata Consultancy Services Ltd (TCS) press conference in Bengaluru, an annual event to announce the number of new employees TCS would be hiring. The moment Ajoy Mukherjee, executive vice-president and global head (human resources) at TCS, mentioned the words 'restructuring' and 'layoffs', the focus shifted. Mukherjee's other statements, although reported, didn't. Statements such as these: "This is a year-long process." "It happens every year." "This is for senior and mid-level executives who the company believes are non-performers." The next morning, in newspapers across the country, the restructuring at TCS was the big news. While others reported the event and a bit more about things slowing down in the information technology (IT) industry, Business Standard took it one level further. Attributing the information to company sources, it said, "These are employees with around 20 years of experience and some 25,000 employees could fall in this category. They would be reviewed during the process which will get over by February 2015, before the next appraisal cycle starts from March." This was the first time the number 25,000 was mentioned in

relation to TCS layoffs. And it stayed there. Inside TCS, the folks didn't bother to clarify matters, hoping that the story would die a natural death, when the media moved on to the next big story. They couldn't have been more wrong.

The number In the second week of December, a few days later, the story in Business Standard, a newspaper that competes with Mint, caught the attention of a man named Senthilkumar Thiyagarajan, 33, in Chennai, one of the founders of the Young Tamil Nadu Movement (YTNM). The moment he read the number 25,000, he knew it was big. A company was laying off 8-10% of its workforce, and that too, people with 7-8 years of experience. YTNM in its earlier avatar was called Save Tamils Movement. It was founded in late 2008 in the wake of the war in Sri Lanka, when a bunch of IT professionals came together to protest the killings of Tamils in the island nation. Their tagline: "Stop the war. Save the Tamils." The members of the group: Bala Murugam (employed at Infosys Ltd and a coordinator at YTNM), Elangovan Santhanam (employed at Infosys and a spokesperson of YTNM), Saravanakumar (employed at Ramco Systems Ltd and coordinator at YTNM) and Thiyagarajan. In 2011, a few other members joined: Parimala Panchatchacharam (coordinator) and Thamiz Nazar (coordinator). Thiyagarajan started out at TCS in Chennai and spent more than five years with the company, from April 2004 to August 2009. He then moved on to HCL Technologies Ltd where he worked till January 2014. And since then, he has been an activist. Not that there was much to do with saving the Tamils, the war having ended in 2009. Early last year, Save Tamils Movement became Young Tamil Nadu Movement. And with a new name, it found new causes. Like campaigning against the Kudankulam nuclear power plant, and then setting up a fact-finding committee to probe caste riots in Tamil Nadu, and then again, campaigning for the safety of women following the murder of TCS techie Uma Maheswari in Mumbai last year. When Thiyagarajan read the Business Standard story on TCS layoffs, he called up a few friends at the company, got hold of a person who had been fired, scanned his termination letter, blacked out his name and then went to town with the information. Except, only in Tamil. On 21 December, the first call of "Unite against TCS layoffs" went out from YTNM in a letter published on its website. No specific number was mentioned, but the letter said thousands of TCS employees would be affected.

(mintne.ws/1zrlBVR) On 22 December, Thiyagarajan posted again, this time in another YNTM website (mintne.ws/1uiAuIV). Except that this letter had numbers: 25,000 and then in the next paragraph 35,000. Both stories were tweeted from YTNM's Twitter handle: @ilanthamizhagam, which had 95 followers as on 19 January 2015. Doing the math Where did the number come from? Thiyagarajan says it was all over the media. "If you read the newspapers, you will find them," he says. "It first appeared in Business Standard." Now, it would be fair to say that both the letters penned by him went mostly unnoticed. But on the same day, help arrived from an absolutely unforeseen direction. From Delhi, when a 30-year-old man called Mohul Ghosh opined on his own version of the TCS layoffs story in a website called Trak.in. The post had a screaming headline: TCS firing big time. Upto 30,000 employees may face axe.

(mintne.ws/1DTV456) Needless to say, it was a thundering success, the best in the seven-year history of the website. As of date, it's got about 800,000 unique page views, more than 9,500

shares on social media and 313 comments. “Frankly, I was quite stunned by the reaction,” says Ghosh, an occasional blogger, with a background in IT (having worked at SAP SE and International Business Machines Corp.) who now oversees digital marketing at the Indian School of Business and Finance, an institute in Lajpat Nagar in New Delhi. “I have friends at TCS. They told me. I just wanted to highlight the fact that this is the same company that didn’t fire a single person in the downturn in 2008.” What about the 30,000 number? Where did that come from? “I checked with my friends,” says Ghosh. “They said almost 8-10% of the employees will be affected. So I just did the math. 10% converts to 30,000 people.” Did he reach out to TCS to check? “No.” Of course the post was so well received that it didn’t matter. The comments thread was populated with people pouring out their hearts. Of strife and struggle in the IT industry. Their own plight. Some claimed to be TCS people. Others claimed to be ex-TCS people. Such was the gullibility on the thread that a particular user has been posting under the name of N Chandrasekaran, the chief executive officer of TCS. And what was the fake Chandrasekaran doing online? Of course, agreeing to the complaints and the angst. And just like that, the news became big. Everyone inside and outside TCS began talking about the layoffs. Newspapers started writing about it. Journalists in Chennai and Kochi started tweeting about it. And 25,000-30,000 became the gospel truth. YTNM’s campaign got the much-needed boost. A few days before Christmas, Thiagarajan got cracking on the job. But this time around, he did much more than just writing letters, and asking people to unite. A new organization was created: Forum for IT Employees (FITE). It had a website, a Facebook page and a Twitter handle. YTNM and FITE are the same. Let’s put this in perspective. The three coordinators of FITE are all members of YTNM. That’s Thiagarajan, Panchatchacharam and Thamiz Nazar. The campaign FITE’s campaign started with “We are against TCS layoffs” posters, asking TCS employees to not accept the termination letters and to reach out to FITE. On 24 December, a campaign was organized at Siruseri Sipcot IT Park in Chennai. Leaflets were handed out asking TCS employees to unite to question the layoffs. Mobile numbers were handed out liberally with a request to contact YTNM immediately. The same posters were posted in and around offices of IT companies. To build pressure, old articles of layoffs at TCS in the past years began to surface and were shared by FITE on its Facebook page. Questions began to be asked about the reason behind the layoffs. Poor performance? Slowdown in IT sector? Whatever the reason, how about reducing Chandrasekaran’s salary by 50%? On Christmas day, FITE shared a cartoon of Chandrasekaran dressed as Santa Claus with a Christmas gift of sacking 25,000+ employees. The post got 166 likes and 54 shares. In late December, though, FITE took the campaign to a new level—seeking legal action against the company. It made headlines. That supported by FITE, laid-off TCS staff were consulting legal experts. On 27 December, an e-petition was put up seeking 100,000 public signatures to stop the layoffs at TCS. As of date, it has got 11,000 signatures. And just like that, FITE began getting attention and interest from other parts of the country. So much so that in less than a month, FITE has grown from a single chapter in Chennai to Bengaluru, Pune, Hyderabad, Delhi, Mumbai, Kochi and Kolkata. And all these units started holding their own meetings, asking laid-off TCS employees to join the struggle. It was only then

that TCS realized it had a problem on hand. On 28 December, the company sent out a clarification to Business Standard disputing the layoffs number. Business Standard promptly incorporated the clarification online on 29 December and published it in the print edition the next day. It read: "TCS has clarified that the restructuring will not affect "some 25,000 employees with around 20 years of experience", as mentioned in the report. A TCS statement says as has been mentioned by Ajoy Mukherjee, EVP and head of global HR at a press conference in Bengaluru on 12 December, "the annual involuntary attrition is between 1-2 per cent across the organisation which includes employees who retire, business associated hired for specific projects, etc". The error is regretted." Putting on a show

It is another matter altogether that the damage had been done. Having tasted blood, FITE wasn't willing to give up. Instead of contesting the number, its communication strategy now started doling out stories of TCS employees who had been laid off. A petition was made out to Prime Minister Narendra Modi seeking his intervention. At the same time, FITE held a press conference at Press Club in Chennai. On 2 January, a black gag protest by IT employees was organized at Sholinganallur junction in Chennai. The number 25,000+ employees sacked by TCS screaming from all banners, posters and pamphlets. Following a crackdown by the police, it didn't go so well, but television teams were there. FITE put on a good show. On 4 January, all hell broke loose when an audio of a TCS employee being fired by her manager was leaked on online audio platform SoundCloud. It went viral. And just like that, labour departments in various states became interested in the story. So did other unions, the Centre of Indian Trade Unions (CITU), among others. FITE also filed a lawsuit in the Madras high court seeking a stay on the layoffs. Then it set up a fact-finding committee to look into the issue. A five member-panel comprising academics and activists was created to listen to the testimonials of employees in person and also on Skype. The social media tool that was best employed by FITE was Facebook. And to a certain extent Twitter. As of date, the We Are Against TCS LayOff page on Facebook has 17, 299 likes. And the most popular post is a story in The Times of India on the Madras high court's stay on the TCS termination of employees; the post got 583 likes, 24 comments and 220 shares. On Twitter, it was the SoundCloud audio (TCS Lies Exposed) of the termination interview of an employee which made the #tcslayoff popular. As of date, the SoundCloud audio itself has been played 826,262 times and has 167 comments. There was another story which got picked up quite a bit. Published in The New Indian Express on 31 December, saying that TCS was handing out pink slips, the story was tweeted 75 times and had 330 likes on Facebook. TCS had had enough. Whatever FITE was doing, it seemed to be working. The company did try to get to the bottom of it all; one-off calls to members of FITE and an attempt to attend the local chapter meetings of the organization had not yielded anything. A decision was taken to lie low till its fiscal third-quarter results. On 15 January, TCS announced its quarterly earnings at a press conference, where the number of involuntary employee departures was put at 2,574 with only 981 in India. "This whole exercise this time has created a lot of noise. That is something for us to think about," said Chandrasekaran during the results announcement. "It is something for us to think about as there is a learning for us. We have to understand how this social media works when somebody puts up a message, that's some action point we should take as we go forward."

3) TCS layoffs: Fired employees share exit interview clip on Facebook

[BT Online Bureau](#) New Delhi Last Updated: January 13, 2015 | 11:44 IST

Business Today

There are reports that [Tata Consultancy Services](#) (TCS), one of the biggest private sector employers in India, is planning to lay off between 25,000 to 30,000 employees in the coming month. Now if an audio clip, allegedly recorded during an exit interview, is to be believed, TCS plans to lay off employees who are performing at a level of "C" or below.

The news about the alleged clip was reported by NDTV. For now, it is not clear if the clip is genuine or not. Though it was posted on a Facebook page called "We are against TCS LayOff", which has over 14,000 likes.

We have reached out to TCS and will update the story when we get a statement from the company.

The clip was reportedly recorded by a Chennai-based female employee during an exit interview, where the HR person stopped short of saying that she was an underperformer, but claimed that layoffs were decided on the basis of performance rating, skill set and scalability to the next role.

"We would like to retain our As and Bs... they have done more than the guys who have got a C," says the HR manager in the alleged recording.

On the Facebook Page We are against TCS layoffs, there are comments from many mid-level TCS employees. By the looks of it, these employees with 7-10 years of experience have been asked to leave.

According to an employee who spoke to the News Minute, a news website, the C-Band stands for meets expectations.

"There are five bands during appraisal. C-band means 'meets expectations', and a large number of employees fall under that band. The buzz within employees is that people who have got C Band for more than one year, will be asked to leave," an anonymous employer told the News Minute.

4) Watch: TCS staff now take to streets over layoffs, demand govt intervention

by [FP Staff](#) Jan 22, 2015 17:50 IST

Employees of Tata Consultancy Services on Thursday took to the streets on Thursday, demanding government intervention in stopping the massive lay-offs at India's largest IT major.

The young techies from TCS formed a human chain in Whitefield in Bengaluru, demanding justice.

"They are giving us letters of termination saying we are an under performer. When other companies see that, we are not able to get jobs there either," an angry TCS employee told CNN IBN.

Ex-employee Srinivasulu who was earning in lakhs earlier is now struggling to make ends meet.

Some employees who are scared to come out in the open and protest are taking part in online campaigns as they are worried that they will not get other jobs if they participate in such protests.

So far TCS has defended itself by saying that only one per cent of their work force is being laid off. But when that one percent translates into thousands of jobs, questions will be raised.

information Minister SR Patil said that if they felt that the terminations were illegal, they would intervene for sure. He moved on to urge the employees to improve their performance.

The fact that IT employees do not get protection under major labour laws is a big sticking point.

On Wednesday, the Madras High Court stayed the termination of a 36-year old male employee from TCS by two weeks and also directed State Labour Conciliation Officer to commence proceedings to ascertain whether the fired TCS employee is a "workman" under the Industrial Disputes Act. . In the previous case TCS revoked the termination after learning that the employee was pregnant during the time of retrenchment. [According to a Hindustan Times report](#), trade unions such as Centre of Indian Trade Unions (CITU) and All India Trade Union Congress (AITUC) have come out in support of TCS employees facing termination. The report notes that this could be the beginning of unionisation among the IT sector in India.

5) TCS Layoffs: End of IT Golden Age or Just Business as Usual?

NDTV | Written By: [Varun Sinha](#) | Updated On: January 05, 2015 17:11 (IST)

Tata Consultancy Services has had to spend the first few days of 2015 firefighting rumours about mass layoffs at the company. A senior TCS official told NDTV that "non-performers" have been asked to go, but denied reports that the company is firing 25,000 employees.

"Workforce optimisation is a continuous process and this leads to some amount of involuntary attrition...there is nothing out of the ordinary. Only 1 per cent to 1.5 per cent of employees will be impacted," the official said.

Which means that 3,000 to 5,000 employees may have been asked to leave by the company; TCS - India's biggest outsourcer - employed 3.10 lakh people as of September 30, 2014.

Concerned over reports of mass layoffs, some former IT employees have created a Facebook page called "Forum for I.T. Employees", which has already received nearly 9,000 likes so far.

On the page, some of the employees have allegedly posted termination letters, and the headline says, "We are against TCS layoffs."

P Parimala, one of the founders of the forum and an ex-Cognizant staffer, told NDTV that most employees allegedly sacked by TCS belong to the mid-management. Some employees were recalled from offshore projects and handed termination letters, she said.

"Employees who have contacted us complained about lack of communication and transparency... We are planning to approach the government for action," She added.

Asked for a comment, the TCS official said some people want to "leverage the situation" and termed the allegations as "malicious".

Pramod Kumar Srivastava, a Bangalore-based business consultant, says layoffs at TCS have attracted a lot of attention because the number of people reported to be sacked are too high.

"Besides, labelling people as non-performers is not good... People thrown out of a company don't like to be labelled as they have to go and look for a job," he added.

Analysts say trimming mid-level employees is a common practice in the IT industry, where the employee pyramid has got skewed. ([Read the full story here](#))

The quest for higher margins and increasing automation in the IT sector is also taking its toll on hirings. According to Crisil, hirings in the IT sector are likely to drop by 50 per cent over the next four years. ([Read the full story here](#))

For employees, such reports signal the end of a golden era for India's over \$100 billion outsourcing sector, which employs over 30 lakh people - nearly one quarter of total private sector jobs in the organised sector.

The layoff controversy comes at a time when IT companies are gearing up to report their December quarter earnings. Q3 results for most IT firms are likely to be weaker because of cross-currency hits and also because the December quarter is considered to be seasonally weak as it has fewer number of working days. ([Read the full story here](#))

Shares in TCS closed 1.52 per cent lower at Rs 2,540.25, underperforming the broader IT sub-index on the BSE, which closed 1 per cent lower.



6) **DECCAN HERALD**

Sunday 22 February 2015

News updated at 12:32 AM IST

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TCS layoffs gives jitters to staff

India's largest software services company Tata Consultancy Services' (TCS) plans to lay off employees is further boiling into a labour issue across India as employees plan to step up street protests and file cases against the company.

Already Bengaluru, Kochi and Chennai witnessed protests and an employee got an injunction against her termination by the Madras High Court in a case she filed against the company. The actions by TCS are seen tilting the entire issue into the unionisation of the sector with labour unions owing allegiance to

mainstream political parties and other non-governmental organisations extending their support.

Last week, while releasing its financial results for the third quarter, TCS Chief Executive Officer N Chandrasekaran had refuted allegations that the company has laid off employees on a large scale recently. “There is no truth in reports of layoffs or any numbers thereof,” he had said. The CEO said that the company expects what he terms as “involuntary attrition”, an euphemism for layoffs, to remain at around the same levels as last year. “Involuntary attrition has been around 1 per cent every year and this year it is going to be the same,” he had said.

But an employee who participated in a masked protest on Saturday in Bengaluru said that TCS started issuing termination notices to employees from December 8, 2014, which is unprecedented in its history. As per a report, TCS has asked 2,574 employees to leave in the first nine months of FY 2014-15, while the total layoffs in the full year may exceed 3,000.

“I have been working with the company for the past nine years and have performed well. Now I am not involved in any projects and the HR informed me that I will be sacked. I have the proof of my performance and the comments of my seniors. The HR did not mention any valid reason for their action,” alleges an employee who did not want to be identified.

IT and ITeS Employees Centre (ITEC), a non-profit organisation working for tech employees, which organised a masked protest in Bengaluru on Saturday, allege that there was no rationale behind this decision. The Forum for IT Employees (FITE) and The Association of IT Employees, an IT trade union associated with the CITU, are also campaigning for the cause of employees.

Another employee, who did not want to be quoted, said that TCS is coming up with flimsy reasons to throw out workers. “Normally, once a project is over employees will have to contact the lead head of RMG (Resource Management Group) for the next project. There will be some interviews and tests to get involved in the next project, and the process is easy. Two months ago, TCS started a new mechanism whereby employees will have to get clearance from the lead head of ISU (Industry Service Unit). For around 3 lakh employees, there are only 23 ISU lead heads,” said an employee.

He also said that these lead heads will often be travelling and it is very difficult to get access to them. “Their intention is to delay permissions for new projects. In such a scenario, the HR department will pitch in and hint to employees that they will be terminated,” he said.

When contacted, the TCS spokesperson denied these practices and said that the company constituted the ISU in 2009 as part of strengthening the industry verticals. The Association of IT Employees has announced a massive protest on January 22. Also, Kerala Labour Minister Shibu Baby John has sought a report on the issue. According to a CITU leader from Karnataka, the organisation will also extend its support to this ongoing unethical practice of TCS. "We are co-ordinating with other state units in this regard," said the leader.

7) **The Hindu**

Updated: January 13, 2015 14:31 IST

The Bengaluru chapter of Forum for IT Employees (FITE) has filed a petition to the Deputy Commissioner of Labour – Region-2, in the city regarding the layoff in Tata Consultancy Services.

In the petition submitted on Monday, the forum has sought the intervention of the deputy labour commissioner in the matter. Last week, *The Hindu*, had reported that the employees along with FITE members met the deputy labour commissioner.

Advocate consulted

The petition was filed by the forum on behalf of TCS employees. However, no employee working in India's largest IT exporter signed in the petition. FITE also said the petition was filed after consulting with an advocate.

'Employees scared'

"The employees are scared that TCS will cut their financial benefits and blacklist them, so they have not signed in the petition," said an active member of the forum.

'No comments'

When contacted by *The Hindu*, a TCS spokesperson said, "We would not like to comment on the matter."

To a question, Sripada, Deputy Labour Commissioner, said: "I have received a petition from the forum of IT employees today on TCS layoff. As the letter is under scrutiny, I would not like to comment more on the matter or any course of action. As a principle of natural justice, we need to hear both the parties. We will send a notice to the company seeking their version."

8) The Hindu

Updated: January 14, 2015 16:44 IST

TCS breaks silence on layoffs issue

"We would like to place on record that TCS has not initiated, and is not planning to initiate, any large scale exits of any section of its staff in any part of the organisation," the IT company said.

IT bellwether Tata Consultancy Services finally broke its silence on the alleged large scale layoffs by the firm and clarified that these are entirely false and baseless claims.

The IT firm went on twitter on Tuesday and said, "We would like to place on record that TCS has not initiated, and is not planning to initiate, any large scale exits of any section of its staff in any part of the organisation."

For the past few weeks, social media was abuzz with news that TCS is likely to layoff 25,000 employees who are "under performers."

The news went viral and dragged the attention of various trade unions in Tamil Nadu such as Centre of Indian Trade Unions (CITU) and All India Trade Union Congress (AITUC), New Democratic Labour Front (NDLF) who sprang into action and came out in support of TCS employees. A small group called Forum for IT employees also voiced their concerns on this issue.

TCS also said that performance appraisals and associated processes are an integral part of the company's operations. TCS spokesperson said that the involuntary attrition for the first nine months of this year has been 2,574 employees which represent 0.8 per cent of the total employee strength.

The statistics for financial year 2014 and 2013 were 2,203 and 2,132 respectively. "The total involuntary attrition for the current fiscal year will be around one per cent," TCS spokesperson said.

On Tuesday, the Madras High Court restrained TCS from retrenching an employee. When contacted, on this issue, the spokesperson said, "We have not received any court order regarding this. TCS conducts its performance appraisal process in a fair and professional manner. In this situation, we will review the issues raised in a responsible and considerate manner."

9) [The Hindu](#) Updated: January 21, 2015 05:43 IST

In many ways, IT industry has proved to be the last frontier for influential trade unions.

The fact that units formed by major unions to organise IT employees never really took off stands testimony to how the industry successfully staved off the influence of trade unions among its work force while leaving them little room to manoeuvre.

For instance, the CITU-affiliated Association of IT Employees formed in 2006 has about 30,000 members in the State.

However, only a few of the members are from private IT companies with the likes of Akshaya entrepreneurs making up the numbers.

The story had been no different for the AITUC-affiliated New Generation IT Employees Union, which managed just 600-odd members in Ernakulam and 700-odd in Thiruvananthapuram in its two years of existence, while INTUC'S Kerala State IT and Allied employees Association had been mostly restricted to a marginal player in Thiruvananthapuram.

No wonder, trade unions view the layoffs by IT major Tata Consultancy Services (TCS), as an opportunity to bolster their strength.

A.D. Jayan, State general secretary of Association of IT Employees said as much seeing promise in the present situation.

New Generation IT Employees Union is also set to stir back to life by organising meetings, said Union State general secretary C.S. Vinod said.

The Kerala State IT and Allied employees Association was also intending to expand its presence across the State, said INTUC State president R. Chandrashekhara.

“Successive governments had turned a blind eye to this in the name of attracting investments and development. IT employees should have a legitimate right to organise,” he said.

10) [IBN Live](#)

Bengaluru: TCS staff protest demanding government intervention in stopping mass layoffs



[Deepa Balakrishnan](#), [CNN-IBN](#) Jan 22, 2015 at 04:05pm IST

Bengaluru: Young Information Technology major Tata Consultancy Service (TCS) professionals took to the streets in protest demanding government intervention in stopping the lay offs on Thursday.

The fear of termination seems to be the question in the minds of young techies who formed a human chain in Whitefield in Bengaluru wanting justice. Ex-employee Srinivasulu who was earning in lakhs earlier has been struggling to care for his family of five since his termination.

"They are giving us letters of termination saying he is an under performer. When other companies see that, we are not able to get jobs there either," said an angry TCS employee.

This time around the strikes are not being held by factory unions but by white collar employees who are out on the streets demanding their rights. Some employees who are scared to come out in the open and protest are taking part in online campaigns as they are worried that they will not get other jobs if they participate in such protests.

So far TCS has defended itself by saying that only one per cent of their work force is being laid off. But when that one per cent translates into thousands of jobs, questions will be raised.

Information Minister SR Patil said that if they felt that the terminations were illegal, they would intervene for sure. He moved on to urge the employees to improve their performance.

The fact that IT employees do not get protection under major labour laws is a big sticking point. However, neither industry experts nor the government has helped in any manner till date.

11) TCS Layoff Saga: Employees Strike Back, To File Case Against Mass Sacking

Track in 7 Jan 15

TCS Layoff Saga: Employees Strike Back, To File Case Against Mass Sacking

Posted by: [Mohul Ghosh](#) in [random](#) January 7, 2015 [65 Comments](#)

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SHARES

As per recent reports coming in from various sources, it has been revealed that a group of TCS employees have met Deputy Labor Commissioner in Bangalore and **a case would be filed against the management against mass layoffs in the company.**

We have earlier reported that how TCS plans to give pink slips to 25,000 – 30,000 employees, under the label of ‘restructuring process’. We had debated that firing 10% of a company’s total strength is not a restructuring process but a bloodbath, where the future of thousands of employees are at stake.

One of the TCS employees working at the Electronic City campus spoke with The Hindu and said, “In the restructuring process, **employees are asked to sign voluntary resignation letters.** We are given a one-month notice period, and are not being given eligible compensation.”

Another employee, who is an Assistant Consultant, said, “**First they remove you from the project, and later will ask you to leave the company.**”

Sripada, Deputy Labour Commissioner of Bangalore assured assistance and support for the employees as per the existing Labor Laws, as he said: “Employees have not filed any formal complaint about the issue. Once we receive it, we will take appropriate action.”

TCS Management, on the contrary, has refused to accept this mass layoffs as a serious matter, insisting on the story of corporate restructuring as a normal thing to happen. In a recent statement issued by TCS CEO N Chandrasekaran, he termed 2014 as ‘another exceptional year’ for the company.

In the New year message for all their employees, he said, “In the first half of FY2014-15, our revenues grew 17.3 % to \$ 7.62 billion on a year-on-year basis and our net profits grew 19.1% to \$1.71 billion as we maintained our operating and net margins in our desired range.”

The HR team is sending these letters to the employees, assuring them that there are no layoffs: Here are 2 letters that we have received (through comments or separately)

Letter 1: From Joy Mukherjee, EVP & Head. Global HR

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While normally we do not react to queries related to rumours and speculation, in this instance however, it was appropriate for me to respond directly.

Firstly, I would like to tell you that there are no layoffs that have been planned. All the reasons cited are equally untrue. Therefore any reference to estimates like 25-30,000 people is completely baseless.

On December 12, I had also held a press conference in Bangalore where I had briefed the media and stated that we are not driving any special layoff process affecting a large segment of our employee base and neither do we have a target.

As you know, we have a process to deal with Involuntary Attrition in the company. Normally involuntary exits account for up to 1% - 2% attrition annually. This will continue this year too.

TCS has a strong position in the market, the expectations on all of us – from customers, from employees, from investors – are only increasing and technology is also changing rapidly. So there is a greater need for all of us to raise the bar on our performance and drive a strong performance ethic.

I would ask all of you to remain focused on your performance so that we can always produce our best for customers. As CEO has written in his New Year message, the company is doing very well due to our collective efforts and hard work. We have a great platform for growth and have tremendous opportunities to set new benchmarks in the industry.

Our leadership status will continue to present many growth opportunities for all of us.

Wish all of you a happy New Year.

Regards,
Ajoy Mukherjee
EVP & Head, Global HR

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New Year Message from N Chandra, CEO & MD

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Our businesses continued scaling in size and market prominence. Several of our business units which have crossed the \$1 billion mark in annual revenues are now sizable with revenues in multi-billions of dollars. We intensified our focus on key markets like Japan - crafted a new joint venture with Mitsubishi Corp to strengthen our presence and create a platform for growth. We started a new talent paradigm in the Kingdom of Saudi Arabia by creating the first all women center in BPS and IT.

As an organization, we continue to build our people strength through diversity in multiple dimensions. While our total employee base crossed the 300,000 mark this year, making us the second largest employer in the global IT services industry, we were also delighted to celebrate the landmark of employing over 100,000 women - a rare feat in the corporate world. In the past one year, we have significantly increased our talent pool in geographies like Latin America, Japan, Europe, Canada, Australia and the USA and now have 119 nationalities working together in TCS.

As we increase our footprint globally, we are also enlarging our presence in the local community. STEM education has become a focal point for our community efforts in the USA, Canada, UK and Australia. In India, we have focused on employability skills as well as health and sanitation. On both fronts we have made a good beginning, but there is plenty of ground left to cover across geographies. Whether we are involved at a policy level or working on the ground in the community, we must intensify these efforts next year.

I am proud that as an organization we sustain and improve the quality of experience of our 1500+ customers - Over 96% of our customers appreciate the responsiveness and accessibility of our project teams; 98% consider TCS as a partner of choice and are willing to endorse our capabilities; and 94% feel that it is easy to collaborate and do business with us.

Our customer surveys tell us that we must continue on the path of excellence and rigor in all that we do. As strategic partners we must endeavor to understand the customer's business and domain to provide them with thought leadership on the way forward. We must leverage our early investments in Digital technologies to drive our customer's transformation and re-imagination agendas.

Our efforts to innovate and create Intellectual Property through R&D are being stepped up further. As industries get reimagined, innovation opportunities are emerging at the intersection of multiple industries with the digital consumer as the hub. TCS is investing in research and innovation to meet these opportunities.

*Warm Regards,
N Chandra*

But the question is, if TCS had such a wonderful year in terms of revenues, then why are they indulging in mass layoffs? If we consider the statements issued by the TCS management, then we will find that a fast growing company is well on its way to achieve all their targets. But if we read some of the comments and observations made by TCS employees spread all over the country, then we will find some startling revelations.

Here are some reactions and reasons for this layoffs, as shared by TCS employees (ex and current both): [Note you can read over 200 comments here.]

12) The New Indian Express

Layoff: TCS Hands Out Pink Slip to Employees

By Anilkumar T

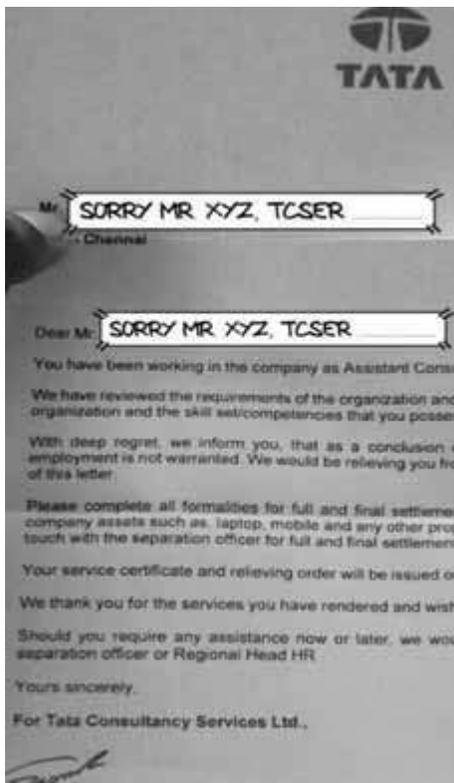
Published: 31st December 2014 06:03 AM

Last Updated: 31st December 2014 07:57 AM

KAKKANAD: Casting dark clouds over employment prospects in state's IT sector, TCS company, one of the largest IT companies, has started to tread layoff path by issuing termination letter to its employees here.

The regional office of TCS functioning at Infopark, Kakkanad in Ernakulam has come up with the drastic move taking a cue from similar incidents in the Kolkata, Chennai, Bangalore, Lucknow wings of the firm.

According to company sources, they have already prepared a list of 500 employees for sacking. AST or Assistant Consultants, Associate consultants, consultants who are the mid-level managers mostly fall under the firing line of the company.



A copy of the termination letter **Cost Cutting**

As part of cost cutting measures it is learnt that TCS is going to sack up to 25,000 to 30,000 employees in the next few months, mainly senior professionals and hire freshers. When contacted Geetha Manoj, HR department of TCS, Infopark, Kakkanad declined to comment on the issue. "It's disappointing. The process is like the HR head will call for a meeting to attend and in the meeting they will inform the person is not fit as per the requirements of the organisation and will issue the pink letter immediately. We never ever expected this type of cheap attitude from the company," said Mithun Shyam (name changed) who received a termination letter from the company a few days ago.

No Prior Notice

"The company has not issued any notice before this lay off and they are yet inform it to the Labour Department or the government. As per Industrial Disputes Act 1947, the company should inform the government before any layoff and the Ernakulam DLO has confirmed that TCS has informed neither them nor the government regarding the layoff," said another employee who received a pink letter on Tuesday.

Meanwhile, many IT personnel approached the labour officer but were afraid to give a written complaint as the company will list their name under the black list. "If they listed our name in this category it will be difficult to get IT jobs as there is a data base, which is under the control of TCS. They are threatening us to not inform the Labour Department or government this issue.

The government should immediately do something to stop this," Sarun said. This surprise move by a leading recruiter has put the future of many IT employees in jeopardy. TCS is also having a regional office at Technopark in Thiruvananthapuram and it is learned that they are all set to start the lay off from this office too.

13) TCS layoff saga gets murkier; disgruntled employee posts exit interview online DNA

Monday, 12 January 2015 - 8:00pm IST Updated: Monday, 12 January 2015 - 10:30pm IST | Place: Mumbai | Agency: dna webdesk

- Rucha Sharma

A laid off employee of the Tata Consultancy Services in Chennai has posted an audio recording that is purportedly of an exit interview with HR managers.



•
Controversies haven't dialled down on India's biggest outsourcing company TCS. A laid off employee of the Tata Consultancy Services in [Chennai](#) has posted an audio recording that is purportedly of an exit interview with HR managers on the 'We are against TCS LayOff' [Facebook](#) page.

In the recording, 'HR officials' are heard telling the employee that there are a few criteria, such as performance rating, skill sets, and unavailability of opportunities on the management ladder, on which she was judged by the team incharge of the decision to terminate her employment.

In the conversation, the employee explains her consistent B and C ratings, asking the HR for reasons behind her retrenchment. An 'HR official' can be heard replying 'We would like to retain our As and Bs... they have done more than the guys who have got a C'. They also refuse to give in more details citing confidentiality.

Related read : [TCS lays off over 1500 employees, stung employees to petition PM Narendra Modi](#)

The lay offs have reportedly been made in order to bring in reforms and cost-cutting, despite the 17% growth the company registered in the first half of this fiscal. TCS employs over 3,00,000 in its global workforce. Social media has been abuzz about the alleged mass lay offs with murmurs about the company planning to sack about 25,000 'non-performers' by the end of February 2015. When contacted, TCS declined to comment on the issue.

However, sources in the industry also said that the layoffs at TCS are no more in number than in the last few years. Those asked to leave are reportedly being offered a month's notice, in which they need not come to work, as well as two months of gross salary as severance pay. Many analysts say this is in par for the course in the private sector.

14) The Hindu

Hyderabad, February 12, 2015

Updated: February 12, 2015 05:40 IST

The Republican Party of India and its trade union – Democratic Indian Trade Union (DITU) – and Forum for IT Employees (FITE) condemned the action of the Tata Consultancy Services of terminating the services of its employees working in Hyderabad and other centres across the country. The RPI national general secretary, Bojja Tharakam, and other office bearers said in a press note on Wednesday that dismissal without any reason by TCS, one of the prominent leaders of software field, was highly condemnable.

Terminating staff without assigning any reason or cause was part of a game of terminating the services of seniors and recruiting new faces at lesser pay, they said.

15) Dec 29, 2014, 09.56 PM IST | Source: CNBC-TV18 TCS allays layoff fears: No pink slips for employees Year 2014 has been a mixed year for India's largest software company with first half growth rates of 17 percent and cross currency headwinds ahead, TCS is now winding up the year having to battle rumors of layoffs within its massive work force of 300,000 plus. Kritika Saxena Reporter, CNBC-TV18 More about the Expert...

Read more at: http://www.moneycontrol.com/news/cnbc-tv18-comments/tcs-allays-layoff-fears-no-pink-slips-for-employees_1263016.html?utm_source=ref_article

There are no mass layoffs being planned at Tata Consultancy Services (TCS) - that's the firm and clear word coming from India's largest IT company as it denies reports of pink slips being handed out to a section of employees. Year 2014 has been a mixed year for India's largest software company with first half growth rates of 17 percent and cross currency headwinds ahead, TCS is now winding up the year having to battle rumors of layoffs within its massive work force of 300,000 plus. The company firmly denies reports which had claimed that a substantial number of employees will face the axe as part of a restructuring exercise. TCS has confirmed to CNBC-TV18 that it is on track to hire 55,000 employees in the coming financial year. According to a statement by the company, as a performance driven company, workforce optimisation is a continuous process which happens throughout the year taking into account employee performance, business needs, and people aspirations. This leads to some amount of involuntary attrition in the company. This is nothing out of the ordinary or a special situation for us to comment about. Sources say that like every year, 1-1.5 percent of the total work force, which works out to about 3,000 employees, have been asked to go as a part of involuntary attrition. TCS watchers point out that there is nothing unusual about these numbers as most of these terminations are linked to performance. Meanwhile, as it calms rumours around pink slips being handed out, TCS CEO N Chandrasekaran, has written a letter to employees highlighting the companies achievements in 2014, assuring them of continue growth. In the letter, Chandrasekharan says: "This has been another exceptional year for us in many ways. We continued to post industry leading growth rates and deepen our footprint in our key markets. Our businesses continued scaling in size and market prominence.

Several of our business units which have crossed the USD 1 billion mark in annual revenues are now sizeable with revenues in multi-billions of dollars.” With big US banks looking at doing away with the practice of earmarking large annual IT budgets, 2015 may be a year that sees the Indian IT sector shift gears in the way it operates. While that may throw up its challenges, Chandrasekharan believes newer technologies, innovation and a more agile organisation structure will see the industry and his company through this transformation.

Read more at: http://www.moneycontrol.com/news/cnbc-tv18-comments/tcs-allays-layoff-fears-no-pink-slips-for-employees_1263016.html?utm_source=ref_article

15) CPI(M) slams TCS on sacking staff; demands action from govt 29 Feb

The reported move to terminate the services of Tata Consultancy Services Ltd employees found its echo in Rajya Sabha on Friday with CPI(M) alleging that aged staffers were being sacked and new ones being hired at lower salaries.

Demanding the intervention of the government, K N Balagopal (CPI-M) claimed thousands of employees have been thrown out in the TCS and it seemed there was no grievance redressal mechanism for them in the IT sector.

"Employees face a bleak future. This is not only in TCS. This is not only in IT," he said adding that this was being done by "all new-generation employers".

Responding to the Opposition concerns, Law Minister Sadananda Gowda promised to look into the issue.

Balagopal said even after the District Labour Office of Tiruchi issued a notice to the company on the matter, no one from TCS appeared.

Noting that such termination is "highly inhuman and illegal", he said the government should evolve proper mechanism to address the new generation employers.

His party colleague P Rajeeve said, "this is a new trend. They terminate people with ten-year experience and recruit new ones in their place to pay low salary."

Another CPI-M leader Tapan Kumar Sen said this was happening in TCS even as the company earned the highest growth among all IT companies.

"This kind of retrenchment is happening on a 'last come, first go' basis... Do not promote these things in the name of promoting ease of business," Sen said seeking the government's intervention into the matter.

As members raised concerns, Deputy Chairman P J Kurien asked "are these companies exempt" from rules and shared the concern of the members.

At this, Law Minister Gowda said, "I have taken note of it. I will look into it."

16) FITE news 26 Feb 15

FITE CASE - Madras High court Happenings :

Date : 26.02.2015 Time : 12.45 pm
Court hall No.02 , Case No. 48

TCS counsel Mr.L.Nageswara Rao started his arguments. Glimpses of his arguments :

- 1) ID act is applicable for conciliation between (i) Employer-Employer (ii) Employer-Workmen (iii) Workmen-Workmen
- 2) This IT Employee (our FITE member) is not a workmen, he is a project Manager. so, he cannot raise dispute under ID act.
- 3) The stay given for termination should be vacated.
- 4) Any labor raising any dispute should file a petition in labor dept, should wait for 45 days for conciliation, afterwhich if it fails, report should be sent to govt., case will go to labour court. But FITE has filed petition in labor dept. on 19.01.15, but filed writ petition in high court on 20.01.15. This is not acceptable.
- 5) Conciliation process should not be allowed as that itself may give weightage to the employees that they may come under ID act.

Our counsel Mr.Prakash gave counter-arguments. Glimpses of our arguments :

- 1) This IT employee's nature of work is technical and skilled, which is clearly making him come under workmen category.
- 2) An employee is workmen or not, cannot be decided by the employer
- 3) If there is haze or cloud regarding an employer is workmen or not, let a neutral party decide. Let Conciliation officer decide it. So, conciliation should be commenced.
- 4) until then, termination should be stayed.

The heated arguments went on for more than one and half hours. When Mr.Nageswara Rao argued that, Labor officer cannot decide on this, our counsel clarified it that the labor officer can investigate.

Judgement is reserved. We might be getting the judgement in next few days.

In this hard battle to make ourselves, IT & ITES employees, to step into labour dept. for resolving our labour issues, We are sure, WE WILL WIN!

Hyderabad:

Conciliation between our FITE members and TCS management in the issue of illegal retrenchment of our FITE members, is about to happen in the Labour Commissioner office tommorrow(27 March 2015).

Ahmedabad : Our fite member who was also affeced by TCS layoff, had previously gone to the labour commissioner office against the retrenchment by TCS. The labour commissioner had accepted his 2a petition and conciliation meeting between our fite member and TCS management was scheduled today 26 Mar2015 but since TCS management did not appear the next conciliation meeting has been scheduled on 5th Apr 15.

New Delhi: Final round of conciliation between our illigally retrenched fite members and TCS management was held this Tuesday (24th Mar 15). After the final round the labour department has issued for 2a to persue the matter further in the labour court as tcs couldnt come up with aggreable proposal within the specified time frame of 45 days.

17) White employee files lawsuit against TCS in US, says firm favours South Asian workers

Apr 16, 2015 20:46 IST

#Ben Trounson #CompanyWatch #Federal civil rights #Soth Asia #Steven Heldt #Tata Consultancy Services

Tata Consultancy Services Ltd has been sued by a white American information technology worker who accused India's largest software services exporter of overwhelming favoritism toward workers of South Asian descent in the United States.

In a complaint filed on Tuesday in San Francisco federal court, Steven Heldt said 95 percent of Tata's 14,000-person US workforce descend from South Asia, primarily India, and that the company violated federal civil rights law by intentionally favoring them in hiring, promotion and termination decisions.

Ben Trounson, a Tata spokesman, in an email said the Mumbai-based company "is confident that Mr. Heldt's allegations are baseless, and plans to vigorously defend itself."

Tata's market value is just over Rs 500,000 (US\$80 billion), *Reuters* data show. It separately reported fiscal fourth

quarter results on Thursday.

Heldt said he experienced "substantial anti-American sentiment" in his 20 months at Tata, including from a human resources manager who allegedly called Americans "selfish and demanding" and said "I don't like dealing with Americans."

Despite claiming to have been in the industry since 1996, Heldt said Tata saddled him with "menial" or no substantive work as it shuffled him between several jobs, ending with the Californian's firing in March 2014.

Heldt is seeking class-action status for Tata workers and job applicants in the United States since April 2011 who are not of South Asian race or from India, Bangladesh and Nepal. He seeks a halt to discrimination, and unspecified damages.

"The experience of Mr. Heldt is representative of what is happening across the country at Tata," his lawyer Daniel Kotchen said in a phone interview. "We believe it reflects a broad preference toward a specific race and national origin, and that any such preference violates U.S. anti-discrimination laws."

Trounson, the Tata spokesman, said the company bases employment decisions on "legitimate non-discriminatory business reasons," without regard to race or national origin.

The case is Heldt v Tata Consultancy Services Ltd, US District Court, Northern District of California, No. 15-01696.

Reuters

18) Indian IT in FY15: What went wrong with TCS, Wipro & others as they struggled to grow revenues

Read more at:

http://economictimes.indiatimes.com/articleshow/47063729.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

By Anirban Sen & Jochelle Mendonca, ET Bureau | 27 Apr, 2015, 06.50AM IST

MUMBAI|BENGALURU: Natarajan Chandrasekaran is usually an epitome of quiet confidence and steely resolve.

But on April 16, for the first time in years, the 51-year-old chief executive of Tata Consultancy Services was at a loss to explain India's largest software firm's quarterly performance and was unusually defensive while taking questions from journalists.

Chandrasekaran's tone was reflective of the broader mood of India's \$146-billion information technology industry, which endured one of its toughest years in recent memory.

The previous financial year brought a host of challenges for Indian IT companies as growth faltered and their earnings failed to satisfy the markets. With clients continuing to hold on tightly to their purse strings and the market for large deals becoming more competitive, 2015-16 will be a make or break year for a number Indian IT CEOs.

Even industry leader TCS, which has stayed ahead of rivals in the past, stumbled in the financial year that ended in March. After years of outperformance, the company just met the upper end of industry body Nasscom's growth estimates for the year, in reported currency, as sectors such as telecom, energy and insurance played spoilers.

ALL ABOUT MARKET SHARE

Despite enduring its worst March quarter in years, TCSBSE 0.14 % added a little over \$2 billion in incremental revenue in fiscal 2015. HCL TechBSE -1.46 % made \$642 million, Wipro pulled in \$463 million and Infosys, \$462 million.

TCS' growth often has been attributed to its ability to stay agile even as headcount exceeds 300,000. Chandrasekaran thinks the company needs to do more to retain that edge.

"Structure is never constant. You may have to have different structures for units that are more manpower-dependent, and those that can become more automation-dependent. I know the outlines, but I cannot say when we will have to put those in," Chandrasekaran told ET in an interview earlier this month.

Wipro and Infosys have already reshuffled organisational structures.

Wipro recently hired TCS' Abid Ali Neemuchwala to improve delivery, and Infosys has reworked its reporting lines ..

to unify its operations. HCL Tech has also reworked leadership of its infrastructure management unit.

Efficiency in delivery is becoming key, as companies deal with new technologies spawning new kinds of competition, especially from smaller players in highly specialised local markets.

There is a shift in market competition," Anant Gupta, CEO at HCL Technologies, said in an interview last week. "Historically we've always been saying competition is the big American firms, big European firms. But now there are also niche local regional players who are going in there."

EMERGING STRUGGLES & THE CUSTOMER

The 2014-15 financial year will go down as the year when the industry started to see the first real impact of the emergence of technologies such as cloud computing and analytics. India's top software firms struggled to grow revenues from traditional, commoditised businesses such as application development and maintenance and infrastructure management, as top customers like Citigroup and General Electric that are undergoing large-scale technology transformations shift spending towards emerging technologies.

Smaller specialised firms also come with consulting capabilities, enabling them to have the kind of conversations clients want, say experts.

Large customers such as US discount retailer Target Corp, agriculture conglomerate Cargill and home improvement chain Lowe's are asking Indian IT companies to make large-scale transformations fast.

For Indian tech vendors, rather than coming to us and saying this is what we can do, they should come to us and say these are your business problems and we have these solutions for you," said Narayan Ram, managing director of Lowe's India.

Experts say few Indian players have that capability as yet. "What Indian service providers need to do over the next five years, from a leadership perspective... (is) go to their customers and tell them, 'this is what you need to do'," said Fred Giron, analyst at Forrester Research. "No service provider today, especially traditional service providers, is able to have these kinds of conversations with their clients."

WHAT'S AT STAKE FOR TOP CEOS?

In the ongoing fiscal, a lot will be at stake for Wipro CEO TK Kurien, who has over the past four years struggled to get the company back to double-digit, industry-level growth rates despite undertaking large-scale organisational overhauls and increasing its kitty of \$100-million deals.

Experts tracking Wipro said the company's biggest issue is its lack of consistency and inability to get all their engines firing together across verticals. Kurien, for his part, remains confident that Wipro will get back on the saddle this financial year and start gaining back ground lost to larger peers. "What we've seen is year after year we've been improving. This year, we don't know which way oil and gas will go. If you take out that stress segment, I would say overall our growth will be better last year," Kurien said during a post-earnings press conference last week.

Even for Vishal Sikka, who has now helmed Infosys for a little over three quarters, investors will expect him to walk the talk and resurrect the fortunes of the former industry bellwether, especially after a disastrous March quarter that saw the company's revenues decline sequentially across all geographies and verticals.

"The world as I see is one of people surrounded by technology," the Infosys CEO said in an investor call on Friday. "New areas in Infosys of automation and innovation ..

GROWTH PLAN: ACQUIRING CAPABILITIES

Indian IT firms in recent years have become open to buying new capabilities.

And Infosys has thrown down the gauntlet in terms of acquisitions to make good on its aspirations.

"By 2020, our revenues will be \$20 billion with a 30% margin and revenue per employee at \$80,000," Sikka said, indicating that about \$1.5 billion would come from acquisitions. Infy has already bought two firms this year - automation provider Panaya and mobile commerce player Kallidus.

"I expect all of them will get more aggressive in acquisitions. After Cognizant and Trizetto and now Infosys, not being more aggressive would be a problem," said an investment banker with a boutique firm. Cognizant acquired healthcare IT firm TriZetto last year for \$2.7 billion. "I don't think too many deals would be Trizetto level. They would be smaller deals, midsized, to add capabilities," this banker said, declining to be identified. All leading Indian IT companies are making investments in automation

and robotic process management.

TCS has announced a service-as-a-software platform it is currently piloting, and Infosys recently bought automation startup Panaya. At Wipro, about 200 executives are building automation platforms. Kurien has told analysts that in three years, people deployment will drop by 35% for some aspects of delivery as the company uses 'hyper-automation' to reduce costs.

Experts say IT companies will have to do more and hire external talent to get the necessary skills to deploy a higher level of automation if they are to compete with the likes of Accenture, which pulls in more than \$50,000 in revenue per employee.

"I think companies need to infuse their management bench with more skill sets from people that have done this before," said Sandra Notardonato, vice president-research at consultancy firm Gartner. "I think all companies should be looking to bring in people to challenge them (and) think about the direction the industry is going."

For now, anxious investors will be hoping that 2014-15 was just an anomaly.

The larger signs—including Gartner's tepid forecast on worldwide technology spending — indicate that it probably is not.

(With inputs from Neha Alawadhi in New Delhi)

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19) BLINK – SIBI ARASU

Once the proud holders of a prized job, IT workers at the mid-level suddenly find themselves thrown out as their blue-chip employers restructure

It's a Friday afternoon in March when I meet Sashi* at the nondescript Coffee Home in Delhi's Connaught Place. Seating ourselves among the crowd of 20-somethings whiling away the afternoon, and retirees in no hurry to get anywhere, Sashi clearly seemed out of place. His job of 21 years at Tata Consultancy Services (TCS) rarely took him outside the office at this time of day.

"I'm on forced leave now, they have told me not to come to office and they'll let me know once they decide on my future with the company," says the 47-year-old, as we sip cold coffee, which he insists on paying for. "I am, or at least I was, a senior consultant and have been with the company for most of my life. Even during the recession it was not this bad, but now everyone has been told, apparently only verbally, not to enlist seniors in any projects. It's alright that they

are making us leave. I only wish they had told us ahead, so we would have been better prepared. I have worked in IT all my life; now I don't know what to do when the inevitable happens. Maybe I will begin selling properties in Rohini, in east Delhi, near my house... We have been abandoned in the middle of nowhere."

Rudraneil*, in Kolkata, feels he was asked to resign from Wipro because he had become too costly for them. The 39-year-old had been a programme analyst for 10 years. "Despite repeated requests, they refused to take me back. I have now started on a PhD, and to support my family I give tuitions to candidates appearing for competitive exams," he says. Apart from earning much less, he is uncomfortable with the strange looks he gets from people for giving tuitions after holding an IT job.

The retrenchment numbers vary from 3,000 to 12,000 and even 25,000, depending on who you ask. During December 2014 and January 2015, the IT sector appears to have been cleaning house, getting rid of high-earning mid-level employees. The restructuring, despite the sector's lower growth rates in recent years, was so sudden and without warning that most of those who lost jobs feel they have been left in the lurch by once-trusted employers.

Bolt from the blue

"It was only last April that I got promoted as assistant consultant. I was working on a project with a client and was the senior-most resource," says 32-year-old Sarita Tripathi, who recently lost her job with TCS. "On December 24, I was suddenly relieved from the project, and within a week I was asked to leave. No room for negotiations, nothing. The ironic part is that only last November I had interviewed around 20 candidates for a job with the company."

The recent flurry of IT terminations took the employees completely by surprise.

Naveen Hasija, a 53-year-old senior consultant at TCS with 29 years in the industry, was removed from a government PSU project and subsequently asked to leave the company. "See, for them it's much easier to get a person at much lower wages. Why pay someone ₹100 when you can get three others at the same price," says Hasija. "The management was told not to induct senior employees into their groups," he adds.

At the IT majors, the Resource Management Group (RMG) is charged with finding new projects for employees on the 'bench' — namely, a reserve pool. "When the RMG doesn't reallocate, it affects our ratings. My ratings have always been a consistent 'C' (or 'meets company's expectations') and most people fall in the same band. But it was the seniors who were asked to resign."

Hasija and Tripathi are among the handful of terminated TCS employees who have taken their grievances to the labour courts, where the company initially argued that they were 'managers' and didn't come under the purview of the Industrial Disputes Act, 1947. That contention was however overruled and the cases are currently under trial.

When BLink approached TCS for comment, a mail from its corporate communications team stated that they “do not want to participate in this story”.

In the legal dispute with their former employer, the likes of Hasija and Tripathi have found an ally in the Chennai-based Forum for IT Employees (FITE). Formed in late-December in the immediate aftermath of the retrenchment, the forum has steadily grown in numbers. Senthil Kumar Tyagarajan, a volunteer with FITE says, “Though they term it as performance-driven workforce optimisation, it is in fact systematic profit-driven terminations. If the companies were retrenching employees in large numbers, they should have informed the government about the reasons for it. A worker without fundamental rights is a slave, regardless of whether we name them as assistant systems engineer, software professional, or whatever. The failure of IT employees to come together and voice their rights has put them in this precarious situation.”

Shaping up

Accounting for over 31 lakh employees, or nearly a quarter of the workforce in the organised private sector, the IT industry is one of the biggest employers in the country. From a robust 30 per cent during the boom years a decade ago, the sector’s growth rate has fallen to 10-15 per cent.

Global analytics firm Crisil had in its November 2014 report ‘For IT service aspirants, job opportunities will narrow’ predicted a slowdown in the coming quarters. “The IT sector is at a crossroads today,” says Anuj Sethi, director, Crisil Ratings. “It is mostly the mid-level employees who are laid-off. Current organisational structures at IT majors have been thrown out of whack, with the entry-level employees hired en masse during the 2000s moving up the ladder to become top- or mid-level employees. Hence the current organisational structure would represent an hour-glass — top-heavy. The downsizing is more towards correcting and moving back to the pyramid structure.” With IT service requirements undergoing changes, many skill sets such as supervision are becoming redundant. “Employees would need to re-skill themselves for emerging technologies like SMAC (social, mobility, analytics and cloud),” says Sethi.

Sangeeta Gupta, senior vice-president and a 25 years veteran with IT lobby group National Association of Software and Services Companies (Nasscom) feels the job-loss fears are overstated.

“The industry touched \$50 billion in 2009 and \$100 billion in 2013-14. So, clearly, growth rates are at 12-13 per cent, but the industry now has a much larger base and is able to grow and build on that,” she says. According to her, the problem, if any, was that not enough has been done to communicate to the middle-management group what was expected of them or equipping them to retrain. Nasscom aims to redress this through a new programme called Reboot and Refresh for mid-level workers.

Future tense

Nasscom’s efforts appear well-intentioned, but with most IT majors announcing tepid quarterly results, the mid-level exodus will likely be unabated.

Labour rights experts call for drastic overhauls in labour regulation. “Most labour laws in India are from a pre-IT era,” points out Babu Ramesh, the associate professor at IGNOU who is famous for coining the term ‘cyber coolies’ when researching IT labour in the early 2000s. “There is a need for redefining things, take into consideration changes in the business order.” Bobby Kunhu, a human rights lawyer who was a part of FITE’s fact-finding team looking into the TCS layoffs, agrees. “The arbitrariness and the sudden firing of these employees is inhuman,” he says. “You are paid well, live a certain lifestyle for many years and, one day, you are suddenly asked to leave. I feel the underlying problem is a total lack of government regulations. Unfortunately, the recent layoffs are only the beginning, and more and larger numbers of people will definitely be affected over the next year. The TCS episode is only the tip of the iceberg.”

(* Names changed on request.)

(This article was published on May 1, 2015)

20) TCS loses Top Position to Accenture June 28th, 2015, 05:00 PM IST - See more at:
<http://www.gulte.com/news/39985/TCS-loses-Top-Position-to-Accenture#sthash.YBzh1kzP.dpuf>

Accenture, Global Outsourcing Firm, is now challenging Tata Consultancy Services (TCS) which is known to be India's largest IT Services company. Global headcount of Accenture is at 336,000 people by the end of 3rd Quarter. The company now have plans to recruit 95,000 more employees in the current Financial Year 15. While the head count of TCS is 319,656 people, Infosys have 176,000 employees. TCS and Infosys will hire around 60,000 & 35,000 employees respectively in the current Fiscal 15. In that way, Accenture is much ahead of these IT Giants. Accenture treats the period from September to August as the financial year. It earned \$7.8 billion by adding 12 new clients in the 3rd Quarter which ended on May 31st. The company expects a revenue anywhere between \$7.45 to \$7.70 billion in the 4th Quarter. - See more at: <http://www.gulte.com/news/39985/TCS-loses-Top-Position-to-Accenture#sthash.YBzh1kzP.dpuf>