

## **LABOUR (EMPLOYMENT) TRENDS AND CHALLENGES IN GLOBALIZED IT-INDIA**

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### **ABSTRACT**

The rapid growth in digital technologies and rising global economic paradigm and their domestic/national adaptation and the consequent changes in the living standard reshape both the national and global environment. The globalization of the economy, along with its impressive economic growth performance and increased standard of living, has brought in unparalleled challenges and trends in various dimensions of workers' life. This research seeks to unravel these labour trends and challenges particularly of IT workforce in India, in which factors such as privatization, flexibilization, individualization, body shopping and off-shoring coalesce the major roles. It finally implies an enhancement in work "quality" as desired by the labour force, consisting safety, income security, skills, and intellectual stimulation, and hence a decent work and sustainable economic growth.

**Keywords:** Body shopping, lobalization, individualization, labour challenges, labour trends, liberlization, off-shoring

### **INTRODUCTION**

As a complex and rapidly growing phenomenon of integration, interaction and interdependence, globalization entails the international cooperation in multifaceted realms of people, organizations, companies and governments across the globe, influencing and operating each other. Advances in transportation and in Information & Communication Technologies (ICTs) trigger this growth and link together economic, social, political and cultural aspects of human life, and includes global goods and services, global markets, trade, capital, technology, data, etc. – making a “single world society” (Albrow & King 1990). Globalization is an inevitable outcome of technological progress by producing positive economic and political convergence and sustenance as well as envisioning a marketplace transcending geo-political borders and nation states regulations (Guttal 2007). It capacitates and enables the increased flow of resources (cross-border capitalization) – investments, people and information – and thus promises

economic wellbeing and progress for all and substantial improvements in the quality of life. However, the history and process of globalization is not without conflicts at least in developing countries like India, as it often becomes hegemonic and incompatible to local and national economies (Guttal 2007). This article seeks to investigate and examine the unparalleled trends and challenges of globalization of the economy in various dimensions of IT workforce in India, that promises impressive economic growth performance and increased standard of living.

## **FEATURES OF GLOBALIZED IT-INDIA**

Globalization is a process of interaction and integration among people in more different ways through diverse dimensions of human life and has defined in its interrelated economic, political, cultural, social and technological variants. The economic globalization refers to the opening and deregulation of commodity, capital, and labour markets, leading to neoliberal functioning tendencies (Fotopoulos 2001). The process of globalization, with its new communication technology and the information revolution (technological globalization), withers away the nation-state and forms a transnational elite (political globalization) and brings a worldwide homogenization of culture (cultural globalization) and today's mode of life (social globalization) based on an individualist and consumerist culture (Fotopoulos 2001). In a market economy, economic elements dominate all these elements and conditions them. However, according to Takis Fotopoulos, there is an interacting process in which economic globalisation is facilitated by technological globalisation, in which, the former, in turn, enhances the latter, wherein the political globalisation becomes the necessary complement of economic globalisation and social and cultural globalisation become its inevitable effects (Fotopoulos 2001). The International Monetary Fund (IMF), similarly, recognizes economic transactions (trade & investments), movement of people (transnational migration) and the dissemination of knowledge (technology & information) as basic aspects of globalization (IMF 2000).

With its increased “cross-border transactions in the production and marketing of goods and services that facilitates firm relocation to low labour cost countries” (Stone 2018, 115), globalization deserves credit for creating increased privilege many new opportunities for high-quality employment in developing countries like India. This increased economic interdependence across the world and new prominent world economy has led to spectacular changes in the nature of international relations in the late 20<sup>th</sup> and the early 21<sup>st</sup> centuries (Youngs 2003). Researchers provide a nuanced contemporary picture of Indian economic sectors and labour systems signifying some features of work sectors, employment practices, labour market functions and emergence of new working class in India (Indiparambil 2018; Srivastava 2012). Indian economy, which has been primarily an agrarian economy until independence, now revolves around industrial and service economies. With this shift in work sectors, India largely invests today in

trade, entrepreneurship, information and technology, transportation and education. Among these, the considerable increment in both domestic and foreign investment and the succeeding incredible growth of the Indian IT services makes the service sector the largest contributor to the GDP of globalized India (Indiparambil 2018; Srivastava). With this positive investment climate India has become the world's most attractive IT hub with excellence in digital skills and services.

Globalization, in general, seems to affect employment and economic growth in developing countries through trade liberalization and informal contractualisation as well as through increased exports and imports, investment (domestic and foreign direct investment) and innovation (Bhalla 2008). This argument is in line with economic theories such as Hecksher-Ohlin (H-O) theorem supporting the claim that the increased trade leads to increased employment and hence increased income. However, researchers have reservations about these inferences and express their ambiguity over it disclosing a phenomenon of increased imports displacing the protected industries leading to their eventual closure. In this manner, a crowding out of domestic production is locally experienced and hence negative effects of employment (Bhalla 2008). In India, Globalization implies the integration of her economy with the world economy, allowing foreign direct investment by creating a favourable national, legal, socio-economic and political climate (OECD 2008). Foreign direct investment (FDI) triggers international economic integration and provides financial stability, promotes economic development and enhances the wellbeing of societies. Surprisingly, with the liberalization of the market regulations, India has emerged as the most favoured destination for foreign direct investment, leaving behind China and the US in 2015.

The above mentioned economic integration has improved the efficiency of natural and manmade resources both by reducing the capital output ratio vis-a-vis increasing labour productivity and updating and upgrading the available technology (Raghavan et al. 2015). Adaptation to new emerging technologies, rapid market-oriented restructuring, and globally competitive policies have helped the Indian economy to grow faster and to become more self-reliant (Jain 2004). This has in turn paved the way for its being an easy recipient and beneficiary of globalized service industries. Consequently, since the 1990s there has been impressive growth in the IT industry in India. Its advent, sustenance and growth can be attributed, along with the above-mentioned globalizing tendencies, to various internal features such as: India's liberalization policies along with significant state support, an inner push towards technological modernization, the availability of a large pool of skilled and highly trained manpower, and a labour cost arbitrage (Upadhyay 2010). Indian liberalization policies include the process of: (1) introducing competition through delicensing, lowering of tariffs, foreign direct investment; (2) by moving towards a level-playing field with reduced interests, discontinuing subsidies, rearrangements of

tax concession and administering prices; and (3) increasing foreign private investment for equity of 51% (Gouri 1997; Pedersen 2000).

The liberalization policies of India principally meant to reduce the range of federal or governmental controls over the different and various dimensions of the domestic economy by increasing participation and contribution of private sectors and direct foreign investment, and thus opening new trades (Bose 2016). The main elements of the reform in this process of liberalization were “in the areas of fiscal stabilization, Financial Sector reforms, Tax Reforms, Public policy, Agricultural sector, Trade and exchange rate policy and Labour Market reforms” (Bose 2016, 356). The reform policies began in 1991 in India with a recognition of the urgency to develop her economy adapting and integrating global economy through a conducive environment of unbarred flows of technology, investment and trade. These new liberalization policies relax the governmental restrictions in the areas of social and economic policies, which increases the flow of goods and services between the countries (Dubey & Garg 2014).

IT industry in India has a significant role in its transition to rapid economic growth through economic liberalization and the consequent financial interference with the world economy. According to researchers, this IT industry “has become indispensable to India’s high-growth economy [...] and] has become embedded in the structure of the contemporary Indian economy and, thus, within the country’s economic policymaking framework” (Barnes 2013, 62). It has become an aspiring industry for the young generation in India as it (1) employs both highly skilled workers (in hardware and software sectors) and unskilled workers (in ITES-BPO industry), (2) provides opportunities for expanding the local base of entrepreneurship, (3) reduces the extent of the brain drain by creating rewarding employment opportunities within the country, (4) supports availability of venture capital to implement new ideas in trade and commerce, and (5) prompts a number of non-resident Indians to return to start software ventures (Annapoorna & Bagalkoti 2011; Kumar & Joseph 2005). Thus, IT industry (software and service sector), on the one hand, contributes significantly to export earnings and GDP and, on the other hand, emerges as a major source of employment generation within the country itself (Kumar & Joseph 2005). Availability of English-speaking, educated and skilled manpower at a comparative cheap price as well as the governmental institutional measures like STPI policy and other liberalization policies enabled this growth of IT industry in India (Annapoorna & Bagalkoti 2011).

However, as globalization has led to the increased mobility of persons as well as goods, capital, data, and ideas, and thus enabled the free movement of labour, information technology (IT) professionals have gained a privileged status with higher salaries, many employment opportunities and comfortable working environments (Upadhyा 2010). The employee comfort is

often only projected, and not in effect because the notion of ‘decent work environment’ is at risk when these jobs are highly insecure with long working hours, monotonous work and volatility of demand. However, the survival of domestic industries, small-scale traders, and local products were at stake, as these same dynamics have led to a commercial colonialism marked by the dominance of foreign industries and exploitation of human resources (Raghavan et al. 2015). For, as Stone precisely elucidates, the power of domestic labour standards have been considerably deteriorated by diminished domestic labour-protective regulations and a decrease in employees’ bargaining power (Stone 2018). Along this same line, we can see that factors such as privatization, flexibilization, and individualization, coalesce the major labour trends and challenges in globalized IT-India, which will be further discussed below.

### **PRIVATIZATION: LABOUR TRENDS AND CHALLENGES**

Privatization is broadly defined as “the deliberate sale by a government of state-owned enterprises (SOEs) or assets to private economic agents [...] and is one of the most important elements of the continuing global phenomenon of the increasing use of markets to allocate resources” (Megginson & Netter 2001, 321). Megginson and Netter illustrate it further that “there has been a mixture of public and private ownership of the means of production and commerce [...], state ownership of the means of production, including mills and metal working [...] while private ownership [which] was more common in trading and money lending” (Megginson & Netter 2001, 322). According to Stone, privatization refers to “policies that shift responsibilities and resources from the public sphere to the private sector” based on the ideology of free market ‘neo-liberalism’ (Stone 2018, 121). It entails the reassigning of assets or service functions from public to private control, facilitating a dominance of the private sector in wide areas of investments. It replaces government monopolies with private competitive business groups and thus reduces the liability of the public sector and revives torpid public firms by diversification and modernization (Raghavan et al. 2015; Vickers & Yarrow 1992). Analysing privatization in developing countries, Prahlad K. Basu opines that privatization strategies include “complementary strategies of public sector restructuring, reform-cum-commercialization, training and cadre development as well as private sector development with financial sector strengthening” (Basu 1994, 44). In India, over against the traditional way of sale or divestiture of global practice, the shift of the public sector has been processed through three modalities: namely ownership transfer, management transfer, and marketization, and through these it has experienced partial or total reallocation (Gouri 1997).

Management transfer is accomplished either through subcontract, leasing, franchising, or mandating (total transfer), or through control on the basis of shareholding, joint ventures, etc. (partial transfer). Ownership transfer entails a total divestment to the private sector or partial

divestment through joint ventures (Gouri 1997). Marketization is the most common modality in India, which includes “corporatization, private sector participation and level playing field between public and private sectors” (Gouri 1997, 460). A constructive outlook on privatization thus reveals the progressive qualities that, in a developing country like India, simultaneously reduces the burden of government and encourages industrial growth, permitting more efficient domestic and foreign investments. To mention some examples of privatization in India: Lagan Jute Machinery Company Limited (LJMC); Videsh Sanchar Nigam Limited (VSNL); Hindustan Zinc Limited (HZN); Hotel Corporation Limited of India (HCL); and Bharat Aluminium Company Limited (BALCO). Privatization also increases the quality of decisionmaking, as it is freed from any type of political interference, for good or ill (Raghavan et al. 2015).

The notion of transferring all productive activities and assets or service functions can also mean that responsibilities for social welfare have also shifted from the public sector to a locus of private sectors, through contracts, franchising, leasing or disinvestment (Raghavan et al. 2015). This is not without its setbacks. The privatization of public goods always bring challenges. The aggregation of monopoly power to private companies may encourage minimum investment and a drive for quick/maximum returns. This profit motive alone makes companies less interested in social justice and public welfare, and disparities in the distribution of income and wealth leads to class struggle and thus social inequality (Raghavan et al. 2015). Paul Starr, with the same consideration, voices ideological opposition to this: “private service providers often maximize profits by seeking out the least costly clients or by employing lower-wage workers, often on a part-time basis [and] is likely to skew the income distribution in the direction of greater inequality” (Starr 1988, 39). The current shift of Indian industry toward a new pattern of organizational process focused on knowledge-based IT production and services faces the same challenges. Arguing in this line, Stone (2018) further points out that the “adjudication of violations of labour rights” is one of the main areas where this shift happened, through the practice of contract over procedures of regulation.

The current process of privatization and the emerging IT trends in India face the challenge of rigid labour contracts. New enterprises restructure workloads and hours and mount pressure to work beyond individuals’ capacities, leading to a deterioration of employees’ mental and physical strength. Researchers of this process observe that “privatization and the associated efficiency improvements will require large labour force reductions both before privatization as governments cut the workforce and after as privatized firms continue to restructure” (Kikeri 1997, 3). Besides labour retrenchments, in the Indian organizational workplace it creates an unfavourable situation with regard to employees’ morale and engenders fear of increased dislocation or termination (Kousaadikar & Singh 2013). Minimum adherence to public labour laws and rights and a maximum observance of private particular regulations and norms ruptures

lasting relationships between management and labourers. The ease of labour adjustments, compounded by the lack of labour social welfare systems, is an emerging sensitive aspect of IT labour trends in the wake of privatization, and a discrepancy in the distribution of welfare is often apparent (Kikeri 1997).

The loss of collective power and association is another major challenge. In India, colonial history shaped, along with the industrialization process, the growth of working-class movements such as trade unions (Sundar 2006). Trade unions is an association, relatively permanent, either of employees or employers or of independent workers securing certain socio-economic and legal benefits, initiating better working conditions and evading from mal-treatment and exploitation. The International Labour Organization (ILO) defines trade unions as “an organization of employees usually associated beyond the confines of one enterprise, established for protecting or improving through collective action, the economic and social status of its members” (Adebisi 2011, 2-3). It is articulated again in the Universal Declaration of Human Rights article 23 (4) that “everyone has the right to form and to join trade unions for the protection of his interests” (UDHR 2006). According to the *Labour Bureau* of the *Ministry of Labour & Employment* of the Government of India, a trade union is “any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relation (a) between workmen and employers, or (b) between workmen and workmen, or (c) between employers and employers or for imposing restrictive conditions on the conduct of any trade or business” (Chaudhry et al 2010, 4).

In this regard, trade unions in India, with their socio-economic and political functional arenas, formerly held a vital position among social institutions and enjoyed wide recognition among employers, the state and society. Madras Labour Union, formed in 1918, is the first organized Trade Union in India. Indian Government passed the Trade Unions Act in 1926 and provided a legal status to the registered trade unions. Industrial Disputes Act, 1947 regulates the rights of both employers and employees for the settlement of disputes and provides for collective bargaining by negotiation and mediation. Indian Constitution (1950), also guarantees the citizen's right to form associations or unions (article 19, I, c). Although these organizations differ in some fundamental principles and objectives, and in their political attitudes and ideologies, they all function to endorse and uphold the socio-cultural, economic and political interests of workers. This type of labour movement was developed in the industrialization period as a response to increased work-life tensions and problems (Sundar 2006). With its social process of interaction, unions establish a collective identity and construct a body of rights for the working class, using legal and political action plans and methods that are beneficial to all social actors through social contracts. Through the fraternal functions of trade unions, the status of workers increased, conditions improved, and workers were protected against victimization and injustice.

Yet economic reforms in India, by being engaged in globalization and its consequent liberalization and privatization, intensified competition among firms and dissolved nationalized boundaries for capital, production, trade and services. A new global market logic questioned the value of state intervention and the established rights of workers and led to another labour reform, one that caused a disappearance of regular and sustaining jobs and weakened the conventional base of unions (Sundar 2006). Fast-developing IT sectors, business process outsourcing (BPO), big retail outlets and a propagation of special economic zones and their newly developed managerial strategies all challenged unions, and thus the voice of labourers. New labour market strategies and the employment of flexible labour led to a “reduction in core labour and expansion of peripheral categories of workers, reduction in employment via voluntary or coercive methods, shift of production to non-union areas, sub-contracting work, prolonged lockouts, closures, and so on” (Sundar 2006, 906). The possibility of the greater flexibility and mobility of capital, known as the transnational flow of capital and elastic labour demand due to the very large number of unemployed or informal workers, only intensifies the challenges faced by IT labourers in India. This type of neo-liberal reform individualizes labour relations and promotes the independent freedom to hire and fire workers at will. In the same way, despite the alleged labour market rigidity in the organized IT sectors, job security is highly uncertain as people are not able to protest the loss of their jobs. In what follows, we will consider various ways to tackle this issue.

## **SPATIAL-TEMPORAL AND WAGE FLEXIBILIZATION**

The flexibilization of labour is one of the key trends in IT-enabled India, as well as a major challenge. The presence of a large informal economy in developing countries such as India makes the labour situation highly flexible. Stone defines flexibilization as “the changing work practices by which firms no longer use internal labour markets or implicitly promise employees lifetime job security, but instead seek flexible employment relations that permit them to increase or diminish their workforce and reassign and redeploy employees with ease” (Stone 2008, 115). The flexibilization of labour includes increased flexibility in work and in employment. It includes flexibility in employment protection and in wages, and it embraces functional and supply-side flexibility (Rodgers 2007). The possibility of the mobility of labour or labour flexibilization includes occupational mobility (from job to job), geographical mobility (from one region/location to another), and industrial mobility (between industries) and is one of the key elements of flexibilization that reveals the contemporary ‘spatial mobility’ of labour. Friedrich Klau and Axel Mittelstadt explain this possibility in terms of occupational mobility, regional mobility, and inter-firm mobility respectively, and argue that it allows the allocation of workers across a variety of tasks in various industries in different localities (Klau & Mittelstadt 1986).

Spatial mobility provides significant socio-cultural and economic exposure, by enabling employees to work in different countries. However, a high rate of short-term projects and contract works within and outside the country to increase labour mobility and often goes into a ‘human resource augmentation mode,’ disregarding the stable life chances and leading to adverse consequences for labourers (Tayntor 2001). Human resource augmentation model or staff augmentation allows contract basis or temporary staff for a particular project in a particular place and avoids general hiring/de-hiring costs and full-time payments. The economic benefits are at best in this practice when specific skills are required for short-term engagements. However, employees are terminated as the contract (short-term) expires along with the completion of particular task and thus the job security is at risk and these employees are not entitled to the employee benefits and rights. The project requirements as special skills make it training intensive and labour engagements with the hard requisites in short notice and in different locations bring further challenges of health and life (Tayntor 2001).

It is recurrent and persistent from the perspective of an individual employee: as Värlander writes, “today’s unstable and rapidly changing work environments place extreme demands on individual employees to adapt to and cope with new situations” (Värlander 2012, 34). This is fundamentally detrimental to job performance and individual career success. Space plays a crucial role in enhancing and refining human feeling and perception and in materializing human values, and contributes “to demarking social roles and defining relations and thereby broadly serving to predispose individuals to act and perceive actions in certain ways rather than others” (Värlander 2012, 38). Spatial workplace mobility also increases the mobility costs of migration or of commuting and needing to adapt to new situations (Ham et al. 2001). However, over against the traditional form of ‘labour migration’ in spatial mobility, one today can see a new trend that has been called ‘virtual migration’ and which has alarming consequences for work process as well as for organizational control and work culture. This will be discussed in detail in the next part, in connection with the implications of off-shoring.

Furthermore, in India, employment takes different and more flexible forms as part-time, temporary, or contract work with regard to time limits, as well as in further flexible progress in the work process, in workforce itself, and in organizational forms (Upadhyा 2010). This is called the ‘temporal flexibility’ of labour. Several distinct process of labour flexibilization as a feature of the Western post-industrial economy is well explained by Chris Benner. He explains the nature of labour market flexibility and how it is related to the deep structural transformations of the economy. He develops a conceptual frame work of flexibilization denoting the distinction between the flexibility in work and in employment (Benner 2002). The temporal flexibility dismantles or abandons the consistency, permanence, and longevity of the ‘internal labour market’ built during the twentieth century, in the context of which internal promotions were

largely used to fill the higher rungs of an organization (Stone 2008). It also facilitates or enables lower capital costs and raises output capacity and potential employment. However, the formality of contract here is frequently low, and the length of engagement is typically short. Christine B. Tayntor rightly observes in this regard that “[b]ecause of the short-term and ad hoc nature of hiring contractors, IT can move quickly, bringing on additional staff for specific projects and removing them as soon as the work is complete” (Tayntor 2001, 4). Although Carol Upadhyia acknowledges that “[f]rom the industry point of view, temporary staffing enhances flexibility in the deployment of human resources,” she adds that “but for employees it is a highly insecure form of employment” (Upadhyia 2010, 306). This contingent nature of flexibility, with short-term or episodic characteristics, breaks the bond between worker and firm (Stone 2008) and reduces the likelihood of convening non-wage labour costs and the demands of job protection legislation (Klau & Mittelstadt 1986).

In other words, the nature and scope of employment contracts and conditions increase flexibility in workplace to a great extent by intensifying or economizing the workforce and establishing altered norms according to market variation (Upadhyia 2010). Job security is largely reduced in this scenario. Besides, to an evident degree, the adaptability of wage differentials or flexibility of wages is also recognized as a key element of labour market flexibility in the Indian IT workplace, along with the mobility of labourers described above. Friedrich Klau and Axel Mittelstadt speak about two dimensions of wage flexibility: “first, adaptability of wage differentials to changing relative scarcity of skills, and second, adjustment of wages to the earning power of individual firms” (Klau & Mittelstadt 1986, 12). Wage flexibility, in this regard, mirrors the supply and demand conditions and tries to achieve equilibrium between them. Hence, skill shortage and unfilled vacancies encourage extended pay offers, and the excess labour supply diminishes (Klau & Mittelstadt 1986). The latter is the most frequently experienced case in the current IT environment, where skills and talents are easily obtainable. Even though labour flexibility has “implications for building careers, organizing workers, and developing progressive labour market policies,” it can also “worsen wage inequality, job insecurity, and other labour market conditions and outcomes” (Kim 2003, 233-234) along with causing spatio-temporal alienation of employees’ work satisfaction and inhibiting their work progress.

## **INDIVIDUALIZATION AND LABOUR SUITABILITY**

The process of individualization, however, as a symptom of advanced modernization, marks another trend in IT workplaces and poses further challenges for the workforce. For instance, recruitment, sustenance, promotions and salaries all reasonably depend upon an individual’s performance, and thus individual competition is increasingly encouraged for rewards and job

security. This compromises workers' sense of collective identity, however, fragmenting the collectivity (Upadhyा 2010; Taskin & Devos 2005). Upadhyा consistently maintains that in this individualizing process, career development and risk management are not the responsibilities of the corporation or the state, but rather of the employees, who have to upgrade themselves to compete in the labour market of the globalized IT sectors and workplaces (Upadhyा 2010). This labour deregulation and increased responsibility placed on individuals often results in labour loss and social benefit degradation, exacerbating individual mental struggles and burdens in workplaces. For this risk transfer increases the "intensification of workload and may lead to increase in stress and alienation from the workplace" (Gvaramadze 2008, 473). In the same way, increased employee individualization, according to Irakli Gvaramadze, "contributes to outsourcing responsibilities and duties, which increases stress, doubt, uncertainty and ambiguity among the employees" (Gvaramadze 2008, 466) In all this, we can see a gradual transition from a spirit of civic or community concern toward the pursuit of self-interest.

The individualization process also involves a relative negotiation of personalized life-paths that rely increasingly on individual decision-making and embodied self-reflexivity (Mythen 2005). This ideology of the self-sufficient individual, in the form of *institutionalized individualism*, as Ulrich Beck terms it, ultimately causes the disappearance of any logic of mutual obligation, threatening organizational goals and hampering the growth of collective welfare (Taskin & Devos 2005; Beck-Gernsheim & Beck 2002). In other words, to improve one's performance appraisals and secure more promotions, employees seek to be 'visible' in organizations (Gvaramadze 2008). Excessive individual competition in the IT workplace gradually leads to over-work, long working hours, and stress. There is an effort to clear one's career path and protect one's position in the organizational context rather than showing a commitment to individual, organizational, or societal development.

Consequently, individualization in the IT workplace, as Upadhyा illustrates, acts against the ideals of teamwork, cooperation, and sociability (Upadhyा & Vasavi 2006). It tends to intensify competition and mobility, to increase levels of stress and lead one to refuse collective structures (Mythen 2005). In addition, as Laurent Taskin and Velérie Devos observe, although individualization does make people more autonomous, it also constrains their actions and contributes to a fragmentation of collectivity, as mentioned above. In the end it produces exclusion by exposing individuals to social risks (Taskin & Devos 2005). To sum up, individualization in IT workplaces in India adversely intensifies individualistic labour relations over against a traditional sense of collective identity. Continuous re-skilling has to be encouraged to ensure that employees are able to compete with the fast-changing needs and requirements of IT jobs and secure a place in the job market. Hence, emerging trends of labour arrangements in

various employment situations and subsequent asymmetry of working conditions constitute another challenge. We consider them in the following.

## **BODY SHOPPING AND OFF-SHORING**

There are three types of IT outsourcing services in India: (1) onsite consultancy (working within the client's premises), (2) contract work (getting contracts and work from different localities), and (3) the mixed case of onsite and offsite work or services (Majumdar et al. 2011). Global “body shopping” and “off-shoring” and their respective consequences of transnationalization’ and ‘virtual migration’ have been identified as alarming challenges facing the Indian IT industry (Majumdar et al. 2011). Body shopping, according to Xiang Biao, “is arguably a uniquely Indian practice whereby an Indian-run consultancy (body shop) anywhere in the world recruits IT workers, in most cases from India, to be placed out as project-based labour with different clients” (Biao 2007, 4). The industry, according to Upadhyay (2010), is developed based on this contract labour system called ‘body shopping,’ producing a new form of mobile and immobile workforce that can be seen as a new approach to resourcing. It is both mobile, because through this system employees are deployed to the customer site, and immobile, as a considerable portion of the work has been shifted to India, since ICT makes it possible to perform tasks off-shore (Upadhyay 2010).

Body Shopping is a short-term basis contract of recruiting IT workers. Services from countries where expected service quality matches with much lower salaries are highly encouraged and thus the organizations overcome the resourcing issues to a large extent. It is purchasing man power from a country where qualified personals are available, and wages are cheap. Indian off-shoring or outsourcing industries develop a skilled manpower base raising a marketplace for professionals. Consulting companies like Infosys, Wipro, Tata Consultancy Services are good examples. Indian body shops place their workforce in almost any country using the skilled resources and wide services of other Indian body shops functioning in the target country through collaborative and competing networking systems (Biao 2004). Indian IT professionals, with the help of migration policy and the welfare system of India as well as the liberalized immigration regulations of other countries, move to other geographical locations, thus augmenting transnationalism. This is indeed a new pattern of career development. In this way, in the global market, India has become a source country for IT professionals (Biao 2004). In the process of transnationalization, according to A. Aneesh (2001), bodies flow like capital. Transnationalization is impelled by employees' desire for career success and assurance of global opportunities, which is linked to upward mobility in social status as well (Biao 2007).

However, contrary to what is generally assumed, IT services of programming, testing, debugging, etc. are very labour intensive and thus most Indian IT workers who have migrated through body shopping are forced to work in tedious and repetitive “donkey work” situations (Biao 2007). Body shopping leads to the selling of ‘bodies’ as if they were Indian groceries, as opposed to earlier practices of ‘head-hunting’ in business-related recruitments. The great product of private sector IT training, and of the fabulous ‘IT mania’ in India since the late 1990s, has been not IT products but “IT people.” This group has emerged as a special social category in India (Biao 2007). In the same vein, off-shoring produces new forms of mobility (since ‘knowledge work’ moves) and immobility (since a body never moves) in the body shopping process. This has been called ‘virtual migration’ (Upadhyा 2010). Upadhyा opines that in the off-shore model of working, professionals “located in India are logged onto the computer networks of their customers abroad, working on projects as part of ‘virtual teams’ consisting of colleagues, managers, and customers spread across several geographical locations” (Upadhyा 2010, 303). In this form of migration, people ‘migrate without migrating.’ The term was first used by A. Aneesh (2006) to denote the increased ability of workers based in one part of the world to work at locations far beyond their physical horizon, and as distinct from the concept of ‘embodied migration,’ whereby bodies move from one location to the other. While in embodied migration the body actually moves, then, virtual migration centers on the flow of the body through codes and data. For some researchers, virtual migration is also a challenge, as it limits the international labour migration and immobilizes professionals to their immediate or national territories (Upadhyा 2010).

The process of the spatial and temporal integration of virtual migration brings with it further labour challenges, such as “spatio-temporal alienation” (Aneesh 2006). Spatial integration occurs when data communication networks unfasten work performance from a worksite, while temporal integration brings together different time zones. Consistent with the flexibilization of labour and employment discussed above, IT professionals in India are often forced to work night shifts and rest during the day. Consequently, they become alienated or cut off from socio-cultural activities and thus from the community itself (Aneesh 2006). These atypical work hours lead to staff retention issues, problems of social estrangement and added health problems. Moreover, as Upadhyा rightly observes, the dependence of the Indian IT industry on foreign clients and the unpredictability of demand increases the insecurity of most IT jobs (Upadhyा 2010). Finally, in a nutshell, as Seema Joshi rightly observes, “[t]he close monitoring, continuous work assessments, less number of holidays, absence of organizational activities and promotion of individualization leads to isolation on the one hand and reduces the scope for establishing trade unions on the other” (Joshi 2006, 330). Among these challenges the issue of ‘close monitoring,’ within the scope of our research, will be elaborated on and further discussed in the following section. For unlike conventional workplaces and offices, organizational workplace in the software industry,

ITES offices and BPOs track and monitor employees both on-the-job and off-the-job with the help of various tools of technological advancement, and these employees often experience adverse effects.

## **CONCLUSION**

Globalisation and closer integration of economies have significant impacts on the economies as well as on the workforce of developing countries. The trends of globalization tend to attribute the economic growth largely to global factors side-lining the impact of indigenous and domestic factors of developing countries which may often become more significant and central than any other forces of globalisation. The gradual diversification and the adaptation of the predominantly agrarian economy (agriculture sector) towards increased manufacturing (industrial sector) and current service activities (knowledge or IT sectors) accelerate the present economic growth in India. The new market-oriented trade policy reforms and the consequent trends like privatisation and liberalisation, individualization, flexibilization, etc. of the domestic labour market in response to globalisation, along with its expected benefits, lead also to adverse effects on IT-Labour force in India and produces significant challenges. Process of labour suitability, body shopping and off-shoring coalesce further challenges. This article implies and demand an enhancement in work “quality” as desired by the labour force, consisting safety, income security, skills, and intellectual stimulation. Any economic strategic adaptations should seek to deliver inclusive and integrative growth – decent work and sustainable economic growth – that meet the aspirations and expectations of its workforce.

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