

UK Diligenta workers set to strike against real terms pay cut

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Around 1,000 administrative and call centre workers employed by UK-based financial services outsourcing firm Diligenta will walk out on November 18, against a pay award imposed in June which is a real-terms wage cut. The 2–3 percent “increase,” graded by salary level, falls well below the Retail Price Index (RPI) inflation rate in the year to September of 4.5 percent.

The strike will involve Unite union members across five sites—Liverpool, Reading, Glasgow, Edinburgh and Stirling—working in call centres, back-office administration and customer complaints for major finance houses Lloyds, M&G, Aviva and Phoenix. These corporations outsource operations to Diligenta to cut costs and boost shareholder returns. The company’s efficiency drive has been built on suppressing wages and intensifying workloads for its 5,000 UK employees.

Unite’s November 12 press release announcing the strike noted Diligenta’s massive profits: an average of £82,000 per staff member, pre-tax profits rising from £27.1 million in 2023 to £28.9 million in 2024, and revenues of £606 million. In 2024, the company paid a £14 million dividend to its parent, Tata Consultancy Services (TCS)—a global IT and outsourcing conglomerate worth over £120 billion.

Unite General Secretary Sharon Graham responded with her familiar rhetoric: “Diligenta is a profitable business making millions... yet disgracefully denying workers a fair pay deal.”

Unite’s leadership uses militant-sounding statements only to contain anger and steer struggles back into “negotiations” with management and appeals to the Labour Party—the political representatives of big business. The fight Diligenta workers are seeking to wage requires taking an independent path of mobilisation which can win broad support in the working class against the enrichment of the corporate oligarchy they confront.

Unite’s role: containment and collaboration

Diligenta’s attack on pay goes hand in hand with a far-reaching restructuring programme. Unite regional officer Helen Camp told the *Liverpool Echo* that the company has “reduced the amount of floor space significantly—most recently halving the number of desks in the Liverpool office.” Diligenta has imposed a recruitment freeze and is shifting roles elsewhere in the UK.

Unite have denounced “union-busting”, pointing to the Liverpool site of 600 workers being 80 percent unionised, a factor that is no doubt involved in a targeted operation by management. But Unite’s response exposes how far removed it is from an organisation dedicated to defending workers independent interests.

This is shown in its petition addressed to Labour’s Liverpool Metro Mayor Steve Rotheram to approach Diligenta to secure “guarantees” about the Liverpool site’s future:

“Diligenta Liverpool has always been described as a ‘Centre of Excellence’ by the company and its running costs are low in comparison to offices elsewhere in the UK. Its parent company, Indian conglomerate Tata Consultancy Services (TCS), has multiple contracts with the UK government making the company’s treatment of trade union members a matter of public interest.”

This bankrupt, localist perspective aims to assure the company of maintaining its low-cost competitiveness at its Old Hall Street office in Liverpool and blocks workers from uniting across sites and defeating the broader corporate restructuring agenda. It seeks to shore up support for the Starmer Labour government, warning that the dispute might escalate and disrupt its relations with a major billionaire corporation with its snout in the trough of public contracts.

To speak of the Starmer government’s pro-worker credentials is a stab in the back to Unite’s 400 members in the Birmingham bin dispute. They have waged an all-out strike since March fighting the destruction of safety-critical roles and pay cuts of up to £8,000 by the local Labour council, backed to the hilt by Starmer in a massive strike-breaking operation, which is now using fire and rehire to

enforce its attacks.

Graham claims Diligenta workers have Unite's "total support." But the union has spent the past eight months stalling its members. When Diligenta walked away from pay talks in March, Unite delayed any real action, launching only an "indicative ballot" to buy time for another fruitless round of talks. When management imposed the below-inflation pay award in June, Unite did nothing—finally calling the one-day stoppage on November 18, five months later.

Even now, Unite pleads that "strikes could be averted" if Diligenta returns to talks. Its real concern is that management's hard line has made it impossible to contain workers' anger within the "collective bargaining" framework. The union's priority is not to inflict a defeat on the company but to restore cosy relations.

A record of sellouts

Graham's soundbites about "corporate greed" have accompanied dozens of disputes—each ending in sellout. In the recent Greater Manchester buses dispute, more than 2,000 drivers were demobilised on a company and site basis after Unite pushed through deals drawn up with Labour Mayor Andy Burnham and the private operators. It did nothing to reverse years of pay erosion and unsafe workloads, but this was declared another of Unite's "wins."

Diligenta workers cannot win "decent pay" on Unite's terms. The union apparatus treats each workplace fight as a bargaining chip in its own negotiations with the corporations and Labour authorities to pre-empt any broader struggle across sectors and industries in a frontal challenge against big business and austerity.

Workers must draw the necessary conclusion: Unite is not an instrument for struggle but an arm of corporate management and a corporatist ally of the government.

A rank-and-file alternative

There is no settlement which works for both sides; either Diligenta workers' interests prevail or those of the company. Unite states that the company's £14 million dividend alone could fund a 5 percent across-the-board rise. But the pay fight poses the issue of who controls the wealth created by the workers.

A genuine fightback requires the creation of rank-and-file

committees at Diligenta, independent of the Unite bureaucracy and based on workers' control of the struggle at every level. These committees should link up all 10 UK sites—including Salisbury, Basingstoke, Peterborough and Bristol offices—on a unified programme:

- For an inflation-busting pay rise with no strings
- Defend every job and oppose all increased workloads
- No secret negotiations—full transparency and rank-and-file oversight of any renewed talks with the company
- Demand full disclosure of Diligenta's restructuring plan to boost profits at the expense of workers

Workers must consciously reject Unite's corporatist alliance with Labour and turn outward to the working class across Britain and internationally.

Diligenta's parent company TCS employs over 600,000 workers in 40 countries. These are the real allies of Diligenta workers—including its five sites in India—facing the same cost-cutting and profit-driven exploitation. The fight for decent pay and job security cannot be waged on a local or national basis.

The strike at Diligenta confronts a nationwide offensive by the corporate and political establishment to drive down wages while funnelling record profits to shareholders. Across Royal Mail, the National Health Service, local government, transport and education, workers are told "there is no money" as billions are handed to the wealthy elite.

To fight back, workers must break from Unite's straitjacket, take control of their struggle, and unite across industries and borders. That is the perspective advanced by the *World Socialist Web Site* and the International Workers Alliance of Rank-and-File Committees—to arm workers with a strategy not of compromise, but of class struggle.



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