

A Study on Layoffs in India and Its Legal Environment

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1. INTRODUCTION

For both the worldwide community and India the recent layoffs trend has developed into an established standard of operation. Many large corporations continue laying off several staff members including Microsoft, Meta, Twitter, Google, & Bluestacks, Unacademy, Wipro, and other Indian organizations. Workers were able to relax at the beginning of 2022 because the practice of layoffs came to a temporary stop. The combination of global oil crisis alongside Russia-Ukraine war unrest along with low market demand and recession fears has thrust the world into a damaging employment reduction pattern primarily aimed at handling expenditure costs and corporate realignment initiatives. The future of Twitter remains uncertain because Elon Musk acquired the company while continuing his employer dismissal policy. This academic paper examines the recently emerging layoff culture at both its origin and potential legal remedy options. This chapter evaluates elements of the employee and the company framework.

RESEARCH METHODOLOGY:

The main objective of this paper involves describing challenges faced by large corporations alongside early-stage startups. The paper involves descriptive research which relies on second-hand information from news articles blogs and industry reports.

DATA COLLECTION

The data collection starts with primary source materials which derive directly from respondents. The gathered information comes from IT employees working in India with structured questionnaires and discussions. Moreover the research gathered secondary data from published journals and magazines and publications and articles from literature reviews and websites. Magazines, publications, articles from a review of literature, and websites. Different convenience sampling approaches were used for obtaining data in multiple situations.

TOOLS USED FOR ANALYSIS

SPSS software was used to analyze the survey data

REVIEW OF LITERATURE:

Here is a template for a resignation letter. The model is based on a complete review of the literature and a comprehensive case analysis of eight companies that have announced layoffs. Using this model, ten suggestions for effective his dismissal notices are provided and considered. The most important tip is to design a detailed strategy. Case studies show that most announcement strategies were only superficial. This approach requires an effective plan to be developed. The model first considers the dynamics of the organization and the nature of the headcount reductions. There are factors to consider, such as the source of the message, the medium through which the message is brought, the time of publication, and the message itself. (Smeltzer, L.R., Zener, MF (1994)).

This research examined the effects which large layoff processes have on remaining organizational staff. The main goal of this research examined the connection between employee work behavior and mass layoffs within organizations. Mass layoffs were expected to lead to negative employee performance outcomes and reduce OCB because such events create job instability and breach psychological employment contracts. Perceived management backing was expected to alleviate

any damaging associations between employee performance and OCB and contract breaches. Research of 615 Chilean organization employees supported the theory with 4,444 matching results. Our study applies psychological contracts to examine employee-workplace relationships while expanding comprehension of mass layoff effects on employee conduct in organizational settings. (López Bohle, S., Bal (2017).

In 2013 he said 4.444 billion Americans underwent massive layoffs, which not only provoked employee anger, The practice introduces new risks of counter lawsuits. The restructuring process affects all profitable companies although they can face layoff contingencies which harm both the employees and management teams and remaining personnel.

These activities contributed to management distrust by workers thus continuing to cause harm for both 4,444 staff members and the overall economy. The main objective of this phenomenological research was to study how layoffs and downsizing strategies affect workplace morale along with work output and employee conduct and corporate health and workforce conduct. The author used Sarker's management-employee trust theory ' ' to develop study questions that examined how participants reacted after layoff experiences. The researcher selected twenty participants who composed both managers and workers who experienced layoffs or survived them to conduct a semi-structured examination. Participated in interviews.

FACTS AND FINDINGS:

Several international enterprises now invest in India because of its large population growth as well as its potential customer base. The process of making production facilities local demands employee recruitment from the local area. The Indian Employment and Labor standards present a complicated distribution across multiple categories. Labor and employment laws exist both on the central and state political levels in India.

Statistical Data: The data provided relates to the layoffs that have occurred in recent months, especially he in 2022-2023. Among them, the world's leading companies and India's leading companies are running at full strength this season.

a) META: Meta the parent company of Facebook and Instagram along with WhatsApp declared plans to terminate its 11,000 workforce on November 9, 2022 thereby eliminating 13% of its total staff members. Meta has made one of the largest technology job reductions of 2022. Mark Zuckerberg states that company revenues decline from weak macroeconomic conditions together with rising competition and decreasing advertising revenue.

b) TWITTER: Twitter exists as an American social media platform that Jack Dorsey created during 2006. Our main corporate facility exists in San Francisco California within the USA. Twitter became one of the most popular social media companies through this acquisition of \$44 billion from Tesla billionaire Elon Musk. Twitter dismissed 30% of its recruiting staff which consisted of about 100 employees in July 2022. Twitter executed a workforce reduction that affected 3,700 employees or 50% of its worldwide staff along with 90% of its Indian personnel during the labor cuts on November 4, 2022.

c) UNACADEMY: In April 2022 Unacademy attracted attention for its workforce reduction of 600 employees which occurred while the startup received funding from SoftBank. The dismissed workers make up 10% of the entire workforce. Team members totaling 600 were dismissed by Unacademy for financial efficiency before any potential funding slowdown. Cars24 stands as one of the leading companies that operates in the expanding market for used vehicles. According to ET Cars24 discharged more than 600 workers. Employees left work in all functional areas and departments of the company. The personnel number totals 600 employees making up greater than 6% of the organization's 9,000-person workforce.

d) VEDANTU: Vedantu operates as one of many tech platforms that dismissed their staff members. ET reported that Unicorn severed 424 full-time and contract personnel from its workforce which accounted for about 7 percent of staff to boost their financial capacity. The company has reported this month that it moved forward with dismissing 200 full-time and contract workforces due to changes in online education needs following educational institutions reopening.

e) **MEESHO:** The e-commerce startup Meesho fired 150 grocery store employees during April of 2022 although it generated \$900 million in funding last year and achieved its unicorn status. A Misho spokesperson confirmed the job cuts to ET, saying "approximately 150 full-time employees have been impacted by the Misho Superstore restructuring, which targets inefficiencies." About 400 employees will be affected by the downsizing, according to expert circles.

OVERVIEW

Looking at statistical data from various sources, it is clear that these job cuts are mainly due to lower profit margins and lower demand in each industry, causing pain to workers. Moreover, a thorough examination of the figures provided by the companies shows that the situation is critical not only in India but around the world, and as the Job Cuts Act gives employers flexibility when laying off staff. shown to be ineffective.

SUGGESTIONS

Proposal Despite market volatility and ongoing war between Ukraine and Russia, companies belonging to India's startup ecosystem have made huge gains on the stock market in the first three months of 2022, according to ET's report. (more than \$10 billion). However, this round of funding and subsequent IPO could put some stipulations on how these filings are conducted in the market. As with the number of layoffs, this is a serious problem.

Companies performed employee terminations because of reasons which included budget reductions as well as "performance-related layoffs" and organizational restructuring and additional unspecified drivers. Indian government support, various financiers, and Stock exchanges, of course, have made it very easy to increase the Indian market. If we look at the percentage of this number, we can see that larger companies lay off less than less profitable start-ups. Therefore, for the economy to function properly, attention must be paid to the health of employees, as they are assets in any economy. In this regard, the time has come to enact strong legislation to address layoff issues in India, and close attention should be paid to this expanding sector. Big companies like Twitter are said to set an example for others in terms of work culture and professionalism, but this will only make the current recession worse. The practice of layoffs and layoffs will adapt into organizational work culture which will impact numerous lives. The Labor Disputes Act of 1947 and the Factories Act of 1948 and State Shops and Places of Business Act function in India to regulate the workplace.

CONCLUSION

Recently, employees of various companies have been affected by several layoffs. Faced with much suffering, financial hardship and an uncertain future, these procedures have left workers emotion and anxious. These layoffs have had a tremendous impact not only on the workers affected, but also on their families, communities and the economy at large. It is important for affected employees to remain optimistic and proactive in their job search despite the challenges. Additionally, it is important for businesses to prioritize employee health by providing support, guidance and resources to those affected by layoffs. To navigate this challenging period, employers and employees must work together to identify new opportunities and develop strategies to adapt to changes in the job market. Overall, recent job cuts have highlighted the need for creativity, adaptability and resilience in people and organizations. The combined use of supplied skills allows us to defeat present economic challenges while becoming more robust and ready to meet upcoming future situations.

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