

Study on Layoff of Employees in Big Tech Organisation

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Abstract

Layoff of employees refers to the termination of employment of a group of employees by an organization due to factors such as financial difficulties, restructuring, or downsizing. This process typically involves the reduction of the workforce, resulting in the release of employees from their jobs. Layoffs can have significant effects on both the affected employees and the organization, including the loss of institutional knowledge, decreased morale and productivity, and financial costs associated with severance packages and rehiring. Employers may choose to implement layoffs as a last resort, after exploring alternative strategies to address their business needs.

In the previous few years, the layoff of employees has done on a huge amount in big tech organizations and now it becomes a vogue for every organization. The trend of layoffs is growing year by year, as companies across the world lose revenue due to the coronavirus disease 2019 (COVID-19) pandemic, many are facing the need for mass layoffs. A number of tech firms, including Microsoft, Twitter, and Meta, were already in the hold of this layoff wave. More than 1.5 lakh tech company workers faced job cuts in 2022.

According to the most recent data from the year 2023 to date, more than 1,00,000 people have been fired in tech companies, i.e., 3300 people have been fired daily, and it is not just a small pearl company that has fired; all the big companies have fired a maximum, followed by Amazon 18000, Google 12000, Facebook 11000, Microsoft 10000, Intel, and so on. Not only tech companies, but also banks and auto manufacturing companies have laid off their employees. The question now is, "Why do companies lay off such large numbers of employees?" This research article seeks to assess the effectiveness of layoffs in the economy.

Keyword: Layoff, Inflation, Uncertain economy, and Pandemic.

1. INTRODUCTION

Layoffs are a worldwide occurrence that occurs when a company is experiencing financial difficulties, restructuring, or downsizing. Companies around the world have had to resort to layoffs as a method of survival over the years, resulting in a huge impact on the workforce and the economy.

The COVID-19 epidemic has also contributed to an increase in global layoffs. Due to constraints, many enterprises were forced to close temporarily or permanently, resulting in huge employment losses

worldwide. As the pandemic continues to have an impact on the economy, layoffs are likely to remain a major issue for businesses worldwide.

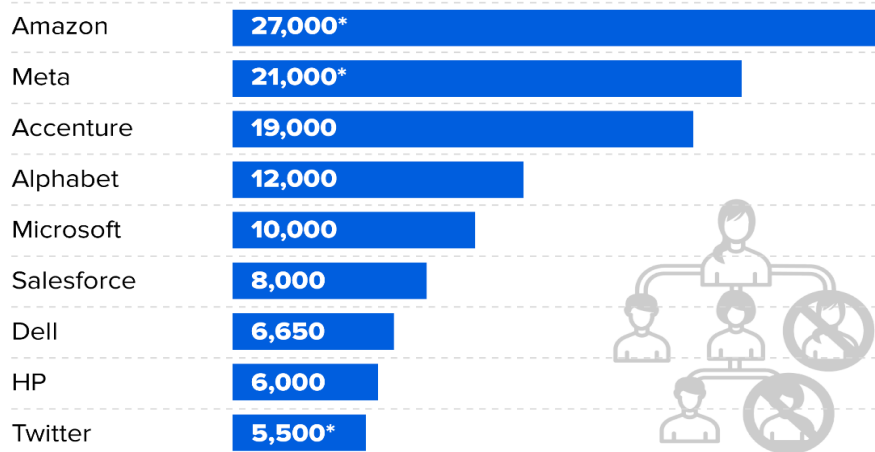
"Layoffs can be a difficult and emotional experience for both the employer and the employees." While they are required for a company's survival, they must be handled with empathy, honesty, and professionalism. Clear communication, appropriate severance pay and benefits, and continuing support and resources can help alleviate the strain on affected employees and ensure they feel valued and respected during this trying time. As an employer, you must prioritize your employees' well-being and maintain open communication lines to help them effectively manage the transition phase." (According to Julie Zhuo, former Facebook VP of Product Design and author of "The Making of a Manager")

"Layoffs are never easy, but they can be managed in such a way that the impact on affected employees and the company as a whole is minimized." It is critical to approach layoffs carefully, taking into account the long-term needs of the business as well as the well-being of the staff. Wherever possible, employers should give clear information and support, as well as possibilities for retraining or redeployment. Companies can negotiate layoffs in a polite and responsible manner by prioritising compassion and care, respecting the dignity of their employees and keeping their reputation as a responsible employer." (According to David Ballard, PsyD, is the American Psychological Association's Director of Applied Psychology.)



Big Tech firms lead global layoffs

■ Employees laid off



*Includes layoffs announced last year

*Meta and Amazon had announced layoffs last year of 11,000 and 18,000 employees respectively

Source: ET research, media reports

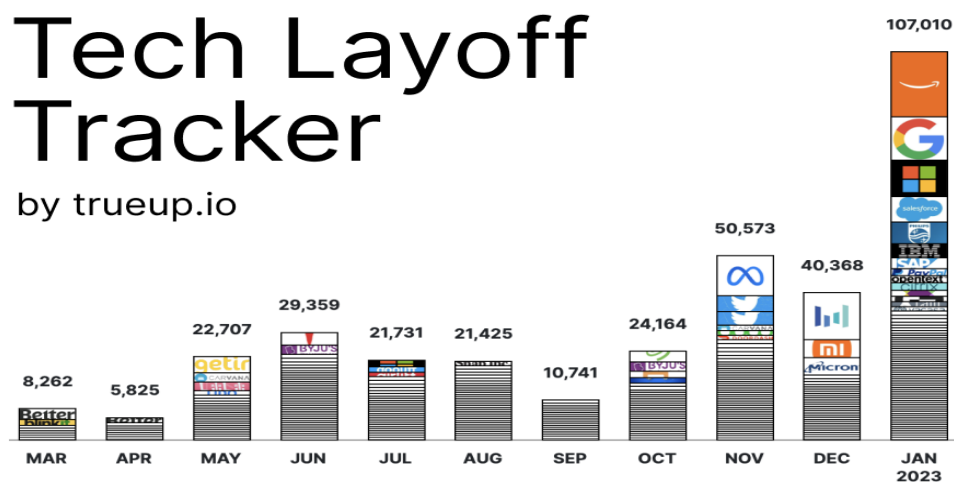
Figure 1: No. of Layoff of employees Globally

So far, 219 tech companies have laid off 68,149 employees in 2023, according to tracking site **Layoffs.fyi**. till date.

Large technology companies have been known to make major employment losses, especially during times of financial crisis or reorganization.

Due to the impact of the COVID-19 pandemic on the ride-hailing sector in 2020, Uber lay off around 3,700 people. Similarly, Cisco Systems revealed intentions to lay off around 13,000 people as part of a reorganization effort in 2017, while IBM laid off approximately 3,000 employees the same year.

It's worth mentioning that the technology industry is recognized for its rapid speed of invention and disruption, which can cause changes in market demand and make it difficult for some businesses to remain competitive. As organizations adapt to changing market conditions, this may result in layoffs or restructuring activities.



1.1 Amazon layoff of over 27000 employees.

Amazon is an American multinational technology company that specializes in e-commerce, digital streaming, artificial intelligence, and cloud computing

Amazon's e-commerce platform is one of the largest in the world, selling everything from books and electronics to clothing and household items. Its digital streaming service, Amazon Prime Video, offers movies, TV shows, and original content.

Amazon layoff about 18000 employees in the month of November and the number increased on January 23 again they laid off about 9000 employees.

According to the media report company officials said “**Uncertain economy and rapid hiring**” are the reason behind the job cuts.

1.2 Google announced plans in January to lay off around 12,000 workers globally.

Google company specializes in Internet-related services and products. Google's core product is its search engine, which is widely regarded as one of the most powerful and accurate search engines on the internet.

Google offers a wide range of products and services, including Google Maps, Google Drive, Google Photos, Google Docs, and YouTube. Google also offers a range of hardware devices, including smartphones, laptops, and smart speakers, as well as its own operating system, Android.

After the announcement in Google about layoffs, there are more than 12,000 workers globally were fired. These layoffs begin in the US. More than 450 Indian employees were also affected by it, according

to Business Today (BT) the companies are also planning to second layoff. when the questions were asked to the CEO of the company, they said that We are very, very focused on this set of opportunities we have. And I think there's a lot of work left. There's also an important inflation point with AI. where we can, we are prioritizing and moving people to our most important areas, so that is ongoing work.

The organizations are planning to increase their efficiency by 20% if it is possible then the question also arises how can a company increase its efficiency by 20% if they are laying off their employees? Pichai responded that They are looking at every aspect. Also, he could not confirm the second round of layoffs in the organization but it is obvious that the corporation is concentrating on increasing productivity and giving priority to crucial sectors.

The organization said that the company was forced to lay off employees due to over-hiring in the last two years during the Covid-19 pandemic.

1.3 Microsoft discloses the plan to lay off 10,000 employees. (CNBC Media Report)

Microsoft is a company with a wide range of software, hardware, and other technology-related products and services. Soon as the Windows operating system, which is used by the majority of personal computers worldwide.

Microsoft CEO Satya Nadella revealed in a blog post on January 18 that the business would be eliminating nearly 5% of its staff, affecting 10,000 individuals.

The CEO attributed the downsizing move to the company's desire to match its cost structure with its revenue structure while investing in areas where the company anticipates long-term growth.

The company's officials said that, due to the macroeconomic conditions and changing customer priorities, we are eliminating roles in some areas. We will continue to hire in the key strategic areas.



2. OBJECTIVES OF THE STUDY

The main objectives of studying employee layoffs may vary depending on the specific research focus and context, but some common objectives may include:

- a) **Understanding the causes of layoffs:** One objective of studying employee layoffs is to understand the factors that lead to them, such as changes in market demand, organizational restructuring, or technological advancements. By understanding these causes, organizations can potentially take steps to prevent or minimize the need for layoffs in the future.
- b) **Examining the impact on affected employees:** Another objective of studying employee layoffs is to understand the impact on the individuals who are laid off, including their financial, social, and emotional well-being. This understanding can help organizations provide better support and resources to employees who are affected by layoffs.

- c) **Assessing the impact on the organization:** A third objective of studying employee layoffs is to examine the impact on the organization as a whole, including its financial performance, productivity, and reputation. By understanding the impact of layoffs on the organization, organizations can make informed decisions about when and how to implement layoffs.
- d) **Identifying best practices:** Finally, a key objective of studying employee layoffs is to identify best practices for managing layoffs, such as communication strategies, severance packages, and outplacement services. This knowledge can help organizations better manage layoffs in the future and minimize the negative consequences for both the organization and the affected employees.

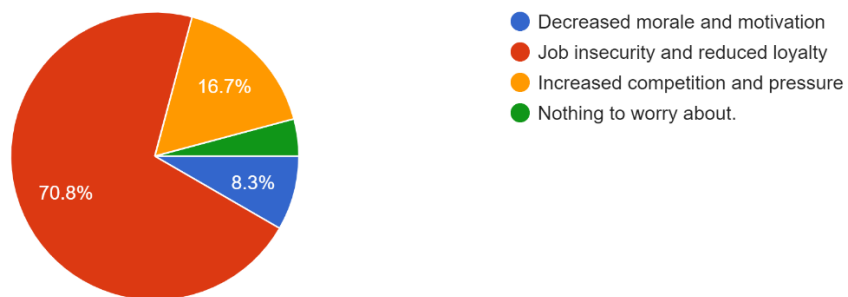
3. RESEARCH METHODOLOGY

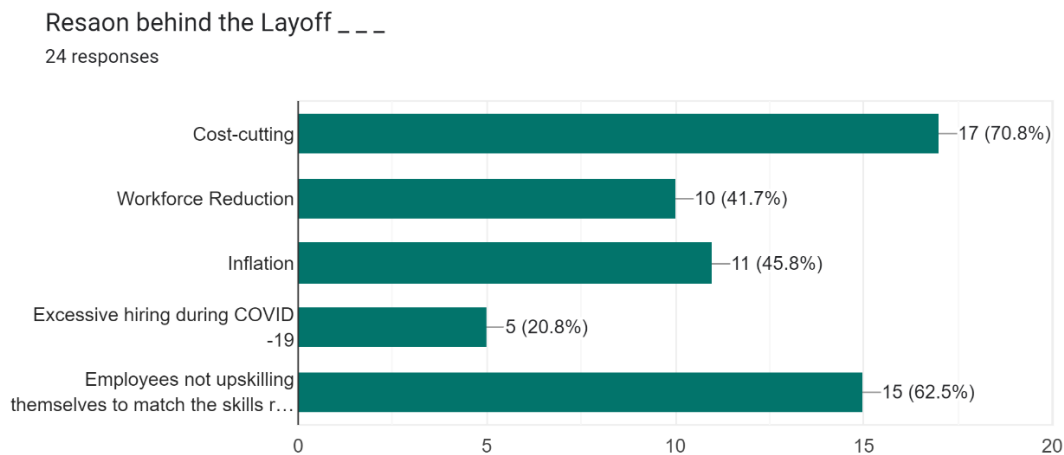
Research methodology on employee layoff would depend on the specific research question, context, and data sources available. However, in some common research methodologies that are used to study employee layoff, data was collected from secondary sources and qualitative sources on the base of surveys of those who have been working in the industry for a long in various sectors of businesses. We go through the different articles and published journals and case studies to analyze the impact and increasing influence in different sectors of the business.

Quantitative research involves collecting and analyzing numerical data through surveys, questionnaires, or other standardized measures. Quantitative research can be useful for understanding the prevalence of layoffs, the impact on employees, and the factors that contribute to layoffs. It can also help identify patterns and correlations between different variables.

Qualitative Research involves collecting and analyzing non-numerical data through interviews, focus groups, or observations. Qualitative research can be useful for gaining an in-depth understanding of the experiences and perspectives of employees who have been laid off, as well as the factors that contribute to layoffs and their impact on the organization.

What are the people mindset after so much layoff in the Organisations.
24 responses





The data is gathered in the form of a questionnaire and the basic interpretation is done and draws conclusions accordingly.

The case study involves conducting an in-depth analysis of a particular organization or group of organizations that have implemented layoffs. Case studies can provide rich insights into the specific factors and strategies that led to the layoffs, as well as the impact on affected employees and the organization.

4 RESULT AND DISCUSSION

The expected outcomes of a study on the layoff of employees may depend on the specific research focus and context, but some common expected outcomes may include:

- **Identification of factors that contribute to layoffs:** One expected outcome of a study on employee layoffs is the identification of the factors that contribute to them. This knowledge can help organizations make informed decisions about when and how to implement layoffs, as well as develop strategies to prevent or minimize the need for future layoffs.
- **Understanding the impact on affected employees:** A second expected outcome of a study on employee layoffs is a better understanding of the impact on affected employees, including their financial, social, and emotional well-being. This knowledge can help organizations provide better support and resources to employees who are affected by layoffs.
- **Understanding the impact on the organization:** A third expected outcome of a study on employee layoffs is a better understanding of the impact on the organization as a whole, including its financial performance, productivity, and reputation. This knowledge can help organizations make informed decisions about when and how to implement layoffs, as well as develop strategies to mitigate the negative consequences for the organization.
- **Development of best practices:** Another expected outcome of a study on employee layoffs is the development of best practices for managing layoffs, such as communication strategies, severance packages, and outplacement services. This knowledge can help organizations better manage layoffs in the future and minimize the negative consequences for both the organization and the affected employees.
- **Contribution to the body of knowledge:** Finally, a study on employee layoffs can contribute to the overall body of knowledge on the topic, helping to advance our understanding of the factors that

contribute to layoffs, their impact on affected employees and organizations, and strategies for managing layoffs. This knowledge can be valuable to both researchers and practitioners in the field.

5. CONCLUSION

Mass layoffs may have a profound effect on the impacted personnel as well as the businesses concerned. Mass layoffs can result in a variety of problems for the impacted personnel, including financial hardship, employment uncertainty, and mental misery. Employees who are laid off frequently struggle to locate new work or wind up taking lower-paying positions to make ends meet. Furthermore, the loss of work may have an impact on communities, families, and the whole economy.

From the standpoint of the affected businesses, mass layoffs may be brought on by financial challenges or restructuring initiatives. However, mass layoffs can also result in worse morale among the surviving employees, unfavorable press, and legal issues.

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7. REVIEW OF THE LITERATURE

A review of the literature on employee layoffs would involve a comprehensive analysis of existing research and academic publications on the topic. The purpose of a literature review is to provide a summary and synthesis of the current state of knowledge on a particular topic, as well as to identify gaps in the existing research that can be addressed through further study. Some specific issues that might be covered in a literature review on employee layoffs could include:

- The economic and organizational factors that contribute to layoffs, such as changes in market demand, mergers and acquisitions, and technological advancements.
- The impact of layoffs on affected employees, including their financial, social, and emotional well-being, as well as their job prospects and career trajectories.
- The impact of layoffs on the organization, including its financial performance, productivity, and reputation, as well as the implications for remaining employees.
- Best practices for managing layoffs, such as effective communication strategies, fair and equitable severance packages, and outplacement services.

- The role of government policies and regulations in managing layoffs, such as unemployment benefits, worker retraining programs, and laws governing the process of layoffs.

A review of the literature on employee layoffs through research papers involves analyzing academic publications that have used quantitative, qualitative or mixed research methods to investigate the phenomenon of layoffs. Some examples of relevant research papers on layoffs include:

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