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Increasing Layoff : A Major Threat To Job Satisfaction In Indian Employment Market

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ABSTRACT

Today people with qualifications are still jobless and if an individual manage to get one, the fear of losing their job still haunting them. with advancement of technology and changing working culture every business house focuses on implementing those changes to gain more benefits but that cost livelihood of others. As most of the companies prefer to hire new ones rather than upscaling the skills of existing employees which results in large number of layoffs. With Unemployment already being the consistent problem of the country ,Layoffs is making these conditions worse.

These layoffs became a trend now days in most of the sectors, among which sectors such as IT ,manufacturing ,e-commerce etc.in which adoption of technology advancement is a most common practice are affected most. There are more reasons behind the Layoffs but one thing that is common in all the cases is the suffering of the individuals who lose their jobs. The question of job security becomes more evident creating restless among both individuals who already have job and who are still searching. Layoffs are becoming serious threats to job security which is affecting many lives as well as the country as whole.

The study will cover this critical issue as how it is becoming a matter of concern including data which shows clear picture of the current scenario and will discuss the problem with relevant examples to show the fact that It is a problem and we need to find ways to change the situation or deal with it in a way that will consider both the businesses as well as the welfare of the employees.

Keywords : *Layoff, Job Security, Unemployment, Upscaling, Technology Advancement, AI*

Introduction

There are several factors that governs the job satisfaction of an employee such as fair salary, equal chance of growth, work autonomy, well-being and safety of employee at workplace , environment of the place, career opportunities etc. but the most important factor that an employee is concern about is the job security . Job security is the feeling that an employee perceive that his employment is continuous, stable and will not be terminated from his workplace place. In other word it is the sense of safety or security a person feels which assures that there will not be any sudden loss of the livelihood.

Job security eliminates the fear of losing job and concentrate on the overall growth of the person while fulfilling the goal of the company or organisation. With a massive working population of around 600-640 million people in India , employment generation is the crucial and major development objective of the country. But in recent years the job security is threated creating constant chaos in the Indian market, this trend became worse after the covid pandemic hit the market . Layoff have become so common that people are working day and night ,accepting unreasonable working hours ,ignoring work life balance to secure their jobs .

The sectors that once contributed as most job generating sector have now become a matter of question of continuous reason for unemployment for so many individuals.

A layoff can be understood as termination of employee' job involuntary by the employer due to business reasons such as cost- cutting, restructuring, technical changes rather than on the basis of their performance (Cornfield, J. 1983).

To understand Layoff better it is important to look after the most common type of layoff prevails in the market and these can be elaborated below.

- Temporary Layoffs: In this type of Lay off employees are instructed to suspend working for short period of time mainly due to seasonal demand fluctuations, project delays, or operational slowdowns. During the period, employees can get partial salaries, benefits, still maintain a formal working relation and are expected to call them back when the condition gets better. This practice is common in sectors in which the work availability varies throughout the year.
- Permanent Layoffs or Forever Layoff : these types of layoffs are permanent which means employees are permanently terminated from the company or the workplace and there is no hope of getting the job back. These layoffs generally have to follow the rules and regulation set under Industrial Disputes Act, 1947 and are common in sectors which experiences technological advancement, outsourcing, or economic contraction, such as IT, telecom, and traditional manufacturing.
- Mass Layoffs : In this a large number of employees are terminated at the same time due to major business restructuring, plant closures, mergers, or global economic shocks and are most common in sectors like IT, startups, and manufacturing during economic downturns.
- Voluntary layoff : these layoffs are strategically designed to reduce workforce size while avoiding dispute along with maintaining goodwill among employees by offering the employees option to leave their jobs voluntarily, usually in exchange for a financial package, incentives, or benefits and the decision to leave remain in hands of the employees.

Observed Scenario

According to the Government of India's 'Statistics on Industrial Disputes, Closures, Retrenchments and Layoffs in India – 2022' published by the Labour Bureau (Ministry of Labour & Employment),lay-offs were a known cause of work disruption in the formal sector and was measured by the loss of work time. The report shows that the number of workdays lost due to lay-offs changed a lot from 2019 to 2022. In 2019, about 1,223,751 workdays were lost. This number went up to 1,353,362 in 2020, then slightly dropped to 1,235,789 in 2021, and fell sharply to 564,408 in 2022.

These numbers show that lay-offs caused a lot of work disruption, especially during the pandemic. Besides lay-offs, the 2022 report also shows other labour market problems. There were 41 industrial disputes in 2022, involving 298,019 workers, which led to 1,020,722 workdays lost due to strikes and lockouts. The report also notes 40 permanent closures of industrial units in 2022, affecting 1,948 workers.

Although the Labour Bureau does not provide a yearly count of laid-off workers, the total workdays lost and other disruption measures show that lay-offs and closures caused labour market problems in India from 2019 to 2022.

The PLFS gives official employment and unemployment data for India, including overall labour force trends. The Labour Bureau publishes official data on layoffs, retrenchments, closures, and industrial disputes in India, but only summarize layoffs in aggregate or broad industrial categories, not by specific company names or exact numbers. There is no official Indian government database that regularly publishes company-specific layoff numbers like some private trackers do. Hence to dive into company specific information related data ,Information is being collected from credible news sources, article , government official statements to understand the current situation.

Big Layoffs in 2025

Different sectors of the India experienced a large number of layoffs during 2025 impacting lot of people leaving them unemployed causing economic and social distress in the country. Following data can be an eye-opening sight which show how serious the problem has become.

Tata Consultancy Services (TCS) (IT Services Sector)

One of the largest and most reliable company among the employees formally announced the plan to reduce its workforce by around 12,000 employees (about 2% of its global headcount) as part of a strategic organisational reshuffle due to automation, artificial intelligence adoption, and shifting client demand (Indian Express, 2025; Hans India, 2025).

When the Ministry of IT in India publicly stated it was monitoring the layoffs, noting the company's official comment about becoming a "future-ready organisation" and focusing on technology investments and workforce realignment , the information published become more reliable (NDTV, 2025, July 28).

The quarterly employment data which also support this data shows that TCS's headcount declined further, with approximately 19,755 employees leaving in the third quarter of 2025. This has widened the insecurity among the employees as large scale job reduction can be possible and that to by such a reliable company.

Accenture, Microsoft (Technology Sector)

Not only domestic firms but Global technology and consulting companies which carried its operation in India also had major layoffs in 2025. Accenture which is a global company that uses many Indian workers for its services, cut over 11,000 jobs worldwide as they are now focusing more on digital transformation and AI roles (Financial Express, 2025).

Similarly Microsoft, which provide to many Indian tech workers, announced it would cut about 9,000 jobs. They are shifting resources to AI and cloud services (Financial Express, 2025). These job cuts also show how decisions made by international companies can impact Indian jobs, even if the decisions are made abroad.

Information Technology Sector

To aligning the workforce with organisation's future goal and bridging the skill gap, many big IT and software companies had layoffs in India and worldwide to improve their workforce. Oracle India cut over 100 jobs to focus on AI products. Infosys, Wipro, Tech Mahindra, and HCL Tech also reduced thousands of jobs to adjust to future service needs. IBM India cut about 1,000 jobs to focus more on hybrid cloud and AI services (New Indian Express, 2025). These layoffs clearly show changing technology is becoming job challenges in IT sector costing job of many.

E-commerce and Startup Sector

While not all of the companies announce India-specific layoff numbers publicly, they do issue official notices about layoffs that impact their operations in India or reflect global trends relevant to the Indian context, like 'Amazon' that announced its largest single layoff to date publicly in October 2025, a reduction of 14,000 corporate jobs globally and the decision was due to strategic restructuring and AI-driven process shifts (Indian Express. (2025, October 29).

In the service sector, companies like 'Ola Electric and Zepto' also had layoffs. They cut hundreds to over a thousand jobs due to funding issues and to work more efficiently. Industry reports say Ola Electric cut about 1,000 jobs, and Zepto cut around 400 jobs for financial and strategic reasons (Indian news analyses, 2025). These job cuts show that layoffs in India are happening not just in traditional IT but also in fast-changing digital markets facing profit and sustainability challenges.

Here are few more estimated data shown in the table below related to lay off by some big companies during 2025 as per the information from 'Intellizence', a site that offers the latest Layoffs, Downsizing, Job Cuts, and Hiring Freeze data .

Company	Industry	Layoffs (2025)	Month (Date)	Reason stated as per the company
Volkswagen	Automobile	2,300	Dec 2025	Workforce reduction via early retirement amid market challenges.
Omnicom Group	Media & Entertainment	4,000	Dec 2025	Post-acquisition restructuring & AI influence on advertising.
Verizon	Telecommunications	15,000	Nov 2025	New CEO restructuring & competitive market pressures.
Synopsys	Technology	2,000	Nov 2025	Redirecting investment toward growth opportunities.
IBM	Technology	2,700	Nov 2025	Adjust workforce to changing demand & efficiency.
Amazon	Technology / E-commerce	14,000	Oct 2025	Corporate workforce reduction to cut costs & refocus on AI.
Paramount	Media	2,000	Oct 2025	Redundancy cuts to align priorities.

Company	Industry	Layoffs (2025)	Month (Date)	Reason stated as per the company
General Motors	Automobile	1,700	Oct 2025	Slow EV demand & policy changes.
Meta Platforms	Technology	600	Oct 2025	Cuts in AI units amid broader restructuring.)
Nestlé	Consumer Products	16,000	Oct 2025	Simplification of organisation& efficiency drive.
Zomato	Restaurant & Delivery	600	Apr 2025	Facing core business challenges & losses.
Starbucks	Restaurant & Food Service	1,100	Feb 2025	Streamlining corporate operations
Morrisons	Retail	365	Mar 2025	Store & in-store services closures.
Ola Electric	Automobile	1,000	Mar 2025	Cost & profit improvement restructuring.

Adverse Impact Of Layoff In India

- Layoffs in India affect more than just the people who lose their jobs. They impact the economy and society too. Layoffs contribute directly to higher unemployment. With more people seeking jobs, competition rises, making it harder to secure employment. Additionally, reduced spending by those without jobs can slow down economic activity, which may force other businesses to cut costs, sometimes resulting in more layoffs led to a negative cycle.
- Big industries like IT and startups are important for India's economy. Layoffs in these areas can hurt the country's GDP and productivity. These industries help with exports and making money. Fewer workers can slow down projects and reduce output, making India less competitive globally. Companies may prefer hiring temporary workers to avoid the costs of permanent employees which makes jobs less secure and discourages investment in training workers (Kumari, J., & Kumar, S. 2024).
- Layoffs take away a person's primary source of income led to social and mental effects. Families that depend on a single income are often the hardest hit, and even short-term layoffs can cause significant financial difficulties. People without jobs may need more help from the government, putting pressure on social services.
- Workers who still have their jobs may feel insecure and less motivated, which can hurt company performance. Layoffs in city jobs can increase inequality and stress city resources, leading to social tension.
- In the long run, layoffs can change the workforce in India. Frequent job losses in certain fields may discourage young people from working in those areas, reducing skilled workers over time. This can slow down innovation and growth in industries like IT and startups that need skilled workers. Overall, layoffs in India are not just a business issue but a bigger economic and social problem with many effects.

Conclusion

Though it is true that to maintain organizational health, competitiveness, and long-term sustainability company opt for down size but at what cost . These layoffs not only devastate professional life of the individuals but affect the family as a whole. Even the country is not benefited from these layoffs rather problems like economic slowdown, higher unemployment, social burden, long term workforce issues become more prominent.

Though Layoffs cannot be avoided as there can be financial break down of the company or issues that are beyond control of the companies but these can be minimised in many cases such as while inculcating new technology. Rather than following a total eliminating policy towards employees while adopting new technologies ,companies should promote trainings and try to upscale or reskill their employees instead of replacing them. Other methods can be used such as Instead of laying off current employees, pause hiring for new positions until financial conditions improve.

Hence, a balanced approach should be followed by the companies which will promote both business sustainability as well as employee welfare at same time. In the end, handling layoffs with care is crucial not just for the resilience of businesses but also for the country's economic and social well-being.

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