A LEGAL ANGLE TOWARD ITS LAYOFFS

Ojas Sharma[*]

ABSTRACT

Information technology has brought a major revolution in the tech industry. Now that frequent mass layoffs are happening, this article will analyze what information technology is, how jobs are created by IT, and how important that sector is in our daily lives. What are the prominent companies in IT and what is the need for layoffs? Which departments and positions are stable and which ones are at risk of layoffs, and what kind of risk will the NRIs face? This article will also examine the labor laws related to information technology in India and check on what kind of legal remedy is available for an IT professional. This article will also analyze the role of the International Labour Organisation and how it will function regarding IT layoffs.

Keywords: Information technology, IT, layoffs, labor laws, ILO

INTRODUCTION

From Amazon's CEO Jeff Bezos' recession warning to major IT layoffs, late 2022 and early 2023 saw a tremendous change in the workforce in the information technology industry. Companies like Twitter, Meta, and Alphabet have laid off thousands of employees over the span of a few weeks which has created a virtual state of turmoil among IT professionals. This article will analyze the recent developments in the field of Information Technology.

WHAT IS INFORMATION TECHNOLOGY?

The use of computers and other telecommunications equipment for managing, processing, storing, and retrieving information is referred to as information technology, which is a broad word. In recent years, information technology has significantly impacted our civilization. Information is now simpler to obtain, manage, and use in practically every part of our life because of the development of computer technologies. People may now communicate and interact with one another more easily thanks to the internet and other improved communication

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[*]BA LLB, FIRST YEAR, MAHARASHTRA NATIONAL LAW UNIVERSITY NAGPUR.

technology. People can now access a greater variety of information and resources than ever before because of the use of the internet.

People may now easily obtain information on practically any subject they could be interested in thanks to this. More people are learning about various subjects and gaining knowledge about them as a result of the increasing availability of information. The amount of information available to humans has drastically expanded as a result of the usage of information technology. People can now access a wide variety of information sources, including the internet, books, databases, and other materials. People may now get knowledge faster than ever because of the expansion of information availability. The amount of information that people can receive from numerous sources has greatly expanded with the expansion of information availability.

JOBS CREATED BY IT

Information technology plays a vital role in modern society, powering everything from e-commerce and social media to healthcare, finance, and education. Some of the key components of IT include hardware (such as computers and servers), software (such as operating systems and applications), and networking infrastructure (such as routers and switches). Information technology has become an essential part of many industries, from healthcare to finance, education, and entertainment. Its impact on society has been significant, transforming the way people live, work, and communicate with each other.

However, not all jobs created by information technology have been created equal. While some jobs may have the opportunity to experience the benefits of increased automation, many of the positions created by IT require a degree in computer science or engineering. This means that they may not be suited for those with little to no technical experience. Furthermore, many of these positions also require a high level of knowledge of the operating system used by the company in which the employee works, making the education requirements even more difficult to meet. This is especially problematic for workers with little formal education, who will have to invest significant time and effort into acquiring the skills necessary to fulfill these requirements

HOW MANY INDIANS ARE PRESENT IN THE INFORMATION TECHNOLOGY SECTOR?

India has emerged as a global hub for digital talent with over 5 million tech workforce. With 1 out of 3 employees already digitally skilled, the digital tech talent pool is at 1.6 million, growing at a CAGR of 25 percent. With a massive focus on reskilling and upskilling, the Indian tech industry re-skilled approximately 280,000 employees in FY22. With over 36 percent of women employees, the Indian tech industry is one of the largest private-sector women employers in India with over 1.8 million women in the workforce.

There are over 950,000 Indian programmers and researchers in the USA which make up a sizable extent of North America's 4.4 million programmers. That figure addresses an 85% increase from similar statistics in 2003. India is as yet the top nation of birth for worker researchers and designers in the US

MAJOR TECH COMPANIES THAT LAID-OFF WORKERS

The year 2023 has seen mass cutbacks by organizations like Google, Microsoft, Salesforce, and Amazon, among others. Google laid off 6% of its labor force or 12,000 representatives, the most noteworthy among all organizations. Microsoft let go of 10,000 workers, and Amazon fired around 8,000 representatives. Aside from these, Salesforce laid off 8,000 representatives, Dell terminated 6,650, IBM around 3,900, SAP almost 3,000, Fly around 1,300, and Coinbase around 950 workers, among others.

In the most recent tech cutbacks, Yahoo cutbacks are the freshest expansion to the worldwide cutbacks list. Yahoo has declared to lay off 20% of its staff, affecting 1,600 workers in its promotion tech business. Workers were informed on Thursday that 12% of the organization (1,000 representatives) would be laid off before the day's end. Within the following half year, another 8% — or 600 — will lose their positions. Around half of Yahoo's promotion tech business will be impacted by these cuts. Microsoft-owned GitHub has likewise declared to lay off around 10% of its labor force or 300 representatives in the forthcoming quarter. The organization will empty its workplaces and become completely far off once its leases close. Organizations are referring to financial strain and dubious future while eliminating the positions. As of late,

Dell Advances cut around 6,650 positions or around 5% of the organization's worldwide labor force. Its co-Chief Operating Officer Jeff Clarke said the company is experiencing market conditions that "continue to erode with an uncertain future".

Dell's headcount will be the lowest in 6 years after the layoffs are complete. The layoffs come amid the ongoing challenges in the personal computer industry. In a memo to staff, Clarke said, "We've navigated economic downturns before and we've emerged stronger. We will be ready when the market rebounds."

LAYOFF BY MAJOR TECH COMPANIES IN 2023

Microsoft Layoffs — 10,000 employees (5% of the workforce)

Amazon Layoffs — 18,000 (3% of the workforce)

Salesforce Layoffs — 8,000 (10% of the workforce)

Dell Layoffs — 6,650 (5% of the workforce)

IBM Layoffs — 3,900 (2% of the workforce)

SAP Layoffs — 3,000 (3% of the workforce)

Zoom Layoffs — 1,300 (15% of the workforce)

Coinbase Layoffs — 1000 (18% of the workforce)

Yahoo Layoffs — 1,600 (20% of the workforce)

GitHub Layoffs — 300 (10% of the workforce)

WHAT IS THE NEED FOR LAYOFFS IN IT?

Declining Revenue - One of the biggest reasons for tech company layoffs is the declining revenue i.e recession. According to Reuters, Twitter had a massive USD 13 billion debt before they laid off employees. For a successful business, a balance between the workforce and revenue is needed.

Pressuring Investors - TCI Fund Management, a prominent investor in Google's parent company Alphabet, wrote a letter to CEO Sundar Pichai that Alphabet

must take "aggressive action" to trim headcount and salary expenses, and deliver a clear action plan to investors. This pressure from prominent investors can result in mass layoffs.

Economic Uncertainty - The IT sector boomed in 2020-21 which resulted in mass hiring. Now that the boom is fading back to normal, companies are facing problems with keeping excess employees. In the letter to employees after the announcement of layoffs, CEO Satya Nadela said, "We're also seeing organizations in every industry and geography exercise caution as some parts of the world are in a recession and other parts are anticipating one."

WHICH JOB POSITION IS MOST/LEAST STABLE

Some jobs in the tech sector are still in hiring and their pay scale is not decreased by a drastic measure -

IT managers, information security analysts, web developers, and database administrators enjoy the highest job security in 2023 in the technology sector.

On the other hand, roles facing redundancy threats are maintenance teams, basic coding, and customer support. Firms are also letting go of staff from sales, DevOps, support staff, and administration. A major risk of layoffs is engineers and support teams.[1]

HOW LAYOFFS ARE AFFECTING INDIANS?

When it comes to layoffs in the technology industry, there is one group that seems to be hit harder than any other: Indians. India's workforce is growing - how can job creation keep pace? An article by World Economic Forum describes the changes in Indian Workforce.

IT layoffs have been happening at a steady rate over the past few years, and they're now considered one of the country's biggest economic problems. Recent layoffs have been even more destructive than usual, with big numbers of employees being cut in one fell swoop. That means that the economy will take a hit, and the Indian workforce is losing jobs and income. However, the main thing that is contributing to the growing problem of unemployment is the number of IT professionals in the country. They are getting increasingly scarce because the number of job opportunities is also decreasing. The country's infrastructure has undergone a

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[1] Shreya Bose 'IT Layoffs 2023: Which Are The Most Riskiest Jobs? And Safest Jobs amidst Layoffs? Check This List!' (Trak, 15 February 2023) <IT Layoffs 2023: Which Are The Most Riskiest Jobs? And Safest Jobs Amidst Layoffs? Check This List! - Trak.in - Indian Business of Tech, Mobile & Startups>

massive transformation, and the lack of skilled workers to help with the transition is becoming increasingly apparent. One major problem is that many of the available jobs require the right qualifications, which means that many young graduates are unable to get a job because they lack the necessary knowledge. Another issue is that the country does not have enough money to maintain the level of education that is required to fill these positions. Another problem is the growing number of middle-class families who want to make their children better off. Some parents are willing to work hard to pay for their children to get a good education so that they can enter the workforce. However, this is a difficult endeavor because the average salary in India is relatively low and not enough to support a family. Most Indian parents, therefore, have to take on extra work to make ends meet. Many Indians are losing their jobs abroad which is affecting their lifestyle as well as their economic condition.

TROUBLES FOR NRI

According to SBNRI.com "The L1 visa is meant for those who want to transfer from a foreign branch of a company to the US branch, parent or subsidiary. The H1B visa is meant for those who wish to work for a company in the US. The L1 visa, therefore, is meant for someone transferring within a multinational company (to the US location) whereas the H1B visa is valid for work with any American employer. Since all American employers do not have foreign branches, the L1 visa cannot be used for such companies". Since IT companies are letting go of thousands of Indian employees, many stand the risk of losing their H1B as well as L1 visas.

LABOUR LAWS IN INDIA RELATED TO INFORMATION TECHNOLOGY

There's a general misconception that labor laws do not apply to the IT sector. But except for a few, most of the labor laws are applicable in the IT sector -

The Minimum Wages Act, 1948: This act sets the minimum wage for different types of workers in India. Under this act, no employer can employ any person at wages less than the specified minimum wage. Each state also has separate laws that set the minimum wages for employees in that state

The Trade Union Act, 1956 (amended to 2006): It is an important law in India regulating the rights and working conditions of employees in the private and public sectors. India has a very diverse workforce, with workers coming from different parts of the country and speaking

different languages. There is a common misconception that IT professionals cant form trade unions but this law empowers IT professionals to form trade unions.

The Equal Remuneration Act, 1976: This act makes it illegal for employers to pay women less than men for the same work or jobs of comparable value. It also prohibits discrimination based on gender, race, religion, caste, or nationality in matters of employment. It is against the law to refuse to employ a person based on any of these factors. Any discrimination that takes place at a workplace can be reported to the Ministry of Women and Child Development. If the employer refuses to correct the situation after they have been asked to do so, then they can be fined up to INR 50,000.

The Employees' State Insurance Act, 1948: This act provides benefits to employees who are injured or become ill while at work. To be eligible for these benefits, employees must have been continuously employed with the same employer for a period of at least six months before the date of injury. Benefits under this law include medical and hospital expenses, rehabilitation services, as well as compensation for lost wages. This law applies to both private and public sector organizations

INTERNATIONAL LABOUR ORGANISATION

In 1919, the United Nations created the International Labor Organization (ILO), a specialized body. Its goal is to spread awareness of social justice, respectable working conditions, and job possibilities across the globe. The ILO develops and promotes global labor standards and policies, offers member states technical support and training, and conducts extensive research on a range of labor and employment-related topics. It also acts as a forum for cooperation between governments, employers, and employees on issues of shared interest. The tripartite structure of the ILO, which consists of delegates from governments, employers' groups, and workers' organizations, directs its operations. This framework makes sure that while policies and programs are being developed, all stakeholders' opinions and concerns are taken into consideration.

The ILO focuses on several important issues, including the promotion of decent work, the abolition of child labor and forced labor, the advancement of gender equality and the eradication of workplace discrimination, as well as the defense of workers' rights and social security. The ILO is the only tripartite UN organization with global membership, with 187 member nations.

ILO can also intervene in Labour Laws

"Various forms of ILO intervention in the field of labor law

The labor law assistance provided by the Office can take different forms, including the following:

Advice on the revision of the labor law;

Assessment of the existing law enforcement machinery and procedures, including recommendations for improvements;

Technical information on a wide range of labor law subjects;

Training of national officials – support for the development of national competency."

CONCLUSION

After the pandemic's IT boom, the Information Technology Sector experienced a slowdown and possibly a recession. While it may seem hazardous for IT professionals, there are many legal remedies available for them that they could use and find stability in these 'hard times'. Moreover, the recovery will require collective efforts between the government and multinational corporations. India being the leading country in the IT sector will aspire to overcome the difficulties followed by the post-pandemic recession if proper attention, as well as proper consideration, is given to this issue.