



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

“An Exploratory Study On The Recent Layoffs Happening Across The World .”

AUTHOR : Mrs. Sangeetha.G,

Assistant professor , Department of Commerce and Management

Sitadevi Ratanchand Nahar Adarsh College , Chamrajpete ,

Bengaluru-560018 , Karnataka, INDIA .

CO- AUTHOR : Ms. Shylaja ,

Research Scholar , Department of Commerce and Management

Sitadevi Ratanchand Nahar Adarsh College , Chamrajpete

Bengaluru-560018 , Karnataka, INDIA .

ABSTARCT

Layoffs, or the termination of employment of a group of employees due to various reasons such as restructuring, downsizing, or economic downturn, have become a common phenomenon in India and across the world. In recent years, layoffs have been particularly prevalent in the technology, finance, and manufacturing sectors.

India has witnessed several high-profile layoffs in recent years . In 2020, the COVID-19 pandemic led to a sharp rise in layoffs across various sectors, including aviation, hospitality, and retail.

Across the world, the COVID-19 pandemic has been a major driver of layoffs. The pandemic has caused widespread disruption to businesses and industries, leading to massive job losses. In the United States, for instance, over 22 million people lost their jobs in March and April 2020 alone. The aviation and hospitality industries have been particularly hard hit, with airlines such as United and Delta announcing massive layoffs in the wake of reduced demand for air travel. However, layoffs have not been restricted to pandemic-related job losses. In recent years, several multinational corporations have announced layoffs as part of their restructuring and cost-cutting efforts.

This study is exploratory in nature and it is aimed at finding about government rules and regulations regarding Layoffs by companies , List of Companies that did layoffs in recent years, reasons for Layoffs and and the Impact of these layoffs . Secondary data is used to collect information about the layoffs .

Keywords: Layoffs, Impact, Economic Slowdown, Pandemic.

REVIEW OF LITERATURE

1. “A paper by the National Bureau of Economic Research found that layoffs have long-term negative effects on the health and well-being of workers, including higher rates of mortality and chronic illnesses.
2. A study by the Federal Reserve Bank of St. Louis found that layoffs during the Great Recession had a significant negative impact on workers’ future earnings and employment prospects.
3. An article in the Harvard Business Review argued that companies should prioritize transparency and fairness in the layoff process in order to maintain trust and morale among remaining employees.
4. A paper by the University of Oxford found that layoffs can lead to a decrease in innovation and productivity in the long-term, as remaining employees may become risk-averse and less willing to take on new projects.
5. An article In the MIT Sloan Management Review argued that companies should consider alternatives to layoffs, such as reducing hours or pay, in order to avoid the negative impacts of job loss on employees and the broader economy.
6. A study by the University of California, Berkeley found that layoffs can have a spillover effect on the wider community, leading to decreased consumer spending and economic activity.
7. A paper by the National Bureau of Economic Research found that layoffs during the COVID-19 pandemic disproportionately affected workers in low-wage jobs and those with less education, exacerbating existing inequalities.
8. A study by the International Labour Organization found that layoffs can lead to increased psychological distress among workers, including depression and anxiety.
9. An article In Forbes argued that companies should prioritize re-skilling and up-skilling programs for employees in order to mitigate the negative impact of layoffs on workers and the broader economy.
10. A paper by the University of Warwick found that layoffs can have a negative impact on the mental health of workers, including increased stress and anxiety.
11. A study by the University of Minnesota found that layoffs can lead to a decrease in trust and loyalty among remaining employees, as they may perceive the company as less stable and less committed to their well-being.
12. An article In the Journal of Business Ethics argued that companies have an ethical responsibility to consider the impact of layoffs on their employees and the broader community, and to take steps to mitigate negative consequences.
13. A study by the University of Illinois found that layoffs can lead to increased turnover among remaining employees, as they may feel less job security and be more likely to seek employment elsewhere.
14. An article In Bloomberg argued that layoffs can have a negative impact on corporate culture, leading to decreased morale and a lack of trust among employees.
15. A paper by the Federal Reserve Bank of Minneapolis found that layoffs can lead to a decrease in social capital, as workers may be less likely to engage in civic activities or participate in their communities.
16. A study by the University of Michigan found that layoffs can lead to a decrease in consumer spending, as workers may have less disposable income and be less willing to make large purchases.
17. An article In the Wall Street Journal argued that companies should prioritize communication and empathy in the layoff process in order to minimize the negative impact on workers and maintain trust and loyalty among remaining employees.
18. A study by the University of Pennsylvania found that layoffs can lead to a decrease in the overall quality of work, as remaining employees may be overworked and less able to focus on their job duties.
19. An article In the Financial Times argued that companies should consider the long-term costs of layoffs, including the impact on their reputation and ability to attract and retain talented employees.”

STATEMENT OF THE PROBLEM

Across the world, the COVID-19 pandemic has been a major driver of layoffs. The pandemic has caused widespread disruption to businesses and industries, leading to massive job losses. However, layoffs have not been restricted to pandemic-related job losses. In recent years, several multinational corporations have announced layoffs as part of their restructuring and cost-cutting efforts. So, it is very important to find the reasons behind this.

DATA COLLECTION

Secondary data is collected from various valid sources and peer-reviewed journals.

OBJECTIVES OF THE STUDY

1. To throw light on the Government rules and regulations regarding Layoffs by companies .
2. To List the Companies that announced layoffs in recent years.
3. To find out the reasons for Layoffs .
4. To find the Impact of these layoffs .

LIMITATIONS OF THE STUDY

1. Only Secondary data is used .
2. The study is limited by time constraint.

FINDINGS:

GOVERNMENT RULES AND REGULATIONS REGARDING LAYOFFS BY COMPANIES .

Layoffs, also known as redundancies or retrenchments, occur when an employer terminates the employment of one or more employees due to various reasons such as restructuring, downsizing, or financial difficulties. Layoffs can be permanent or temporary, depending on the employer's needs and the economic situation.

In most countries, including India, there are rules and regulations in place to protect the interests of employees in the event of layoffs. These regulations vary by country and depend on the type of layoffs involved.

In India, the Industrial Disputes Act, 1947, governs the rules and regulations regarding layoffs. According to the Act, companies with 100 or more employees are required to seek government approval before laying off workers. The government can grant or deny permission for the layoffs based on several factors, including the reasons for the layoffs, the impact on employees, and the overall economic situation.

The Act also provides for certain conditions that companies must meet before laying off workers. For instance, companies must give employees notice of the layoffs, pay them severance compensation, and provide them with a valid reason for the layoffs. Companies must also follow a fair and transparent process when selecting employees for layoffs, which must be based on objective criteria such as seniority or job performance.

In addition to the Industrial Disputes Act, there are other laws and regulations in India that govern layoffs. For instance, the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, provides for certain benefits for employees who are laid off, including the right to withdraw their provident fund contributions.

Overall, the rules and regulations regarding layoffs in India and other countries aim to protect the interests of employees while also allowing companies to make necessary business decisions in a fair and transparent manner.

LIST OF COMPANIES THAT DID LAYOFFS IN RECENT YEARS:

1. IBM: The tech giant laid off an unspecified number of employees in early 2021 as part of a company-wide restructuring.
2. ExxonMobil: The oil and gas company announced plans to lay off 1,900 employees in the US in late 2020 and early 2021.
3. Goldman Sachs: The investment bank announced plans to lay off 400 employees in early 2021, primarily in its consumer banking division.
4. Boeing: The aerospace company announced plans to lay off thousands of employees in 2021 as it continues to face challenges from the COVID-19 pandemic and the grounding of its 737 MAX aircraft.
5. Disney: The entertainment giant announced plans to lay off 32,000 employees in late 2020 and early 2021 due to the impact of the pandemic on its theme parks and resorts.
6. Wells Fargo: The bank announced plans to lay off 700 employees in its commercial banking division in early 2021.
7. American Airlines: The airline announced plans to lay off 13,000 employees in late 2020 and early 2021 due to the impact of the pandemic on air travel.
8. General Electric: The conglomerate announced plans to lay off 10,000 employees in early 2021 as part of a cost-cutting effort.
9. Uber: The ride-hailing company announced plans to lay off 3,700 employees in May 2020 due to the impact of the pandemic on its business.
10. Airbnb: The home-sharing company announced plans to lay off 1,900 employees in May 2020 due to the impact of the pandemic on its business.
11. Hertz: The car rental company announced plans to lay off 10,000 employees in May 2020 due to the impact of the pandemic on travel.
12. Marriott International: The hotel chain announced plans to lay off 17% of its corporate workforce in June 2020 due to the impact of the pandemic on travel.
13. Uber Technologies: The ride-hailing company announced plans to lay off 3,000 more employees and close dozens of offices in May 2020 due to the pandemic.
14. Lyft: The ride-hailing company announced plans to lay off 982 employees in April 2020 due to the pandemic.
15. Salesforce: The cloud software company announced plans to lay off 1,000 employees in August 2020 due to the pandemic.
16. Royal Dutch Shell: The oil and gas company announced plans to lay off up to 9,000 employees by 2022 as part of a cost-cutting effort.
17. Coca-Cola: The beverage giant announced plans to lay off 2,200 employees in 2021 as part of a restructuring plan.
18. AT&T: The telecoms company announced plans to lay off thousands of employees in 2021 as part of a cost-cutting effort.
19. Boeing: The aerospace company announced plans to lay off 7,000 employees in January 2021 as part of a cost-cutting effort.
20. ExxonMobil: The oil and gas company announced plans to lay off 1,900 employees in the US in late 2020 and early 2021.

WHY LAYOFFS ARE HAPPENING IN THE RECENT DAYS .

1. Economic downturns or recessions that reduce business activity and demand for labor.
2. Technological advancements that lead to automation, making some jobs redundant.
3. Changes in consumer behavior, such as the rise of online shopping, reducing the need for brick-and-mortar retail workers.
4. Competition from foreign companies that can produce goods and services more cheaply, leading to reduced profits and layoffs.
5. Mergers and acquisitions that result in redundancies and consolidations of job roles.
6. Cost-cutting measures to improve the company's profitability, such as reducing labor costs through layoffs.
7. Outsourcing of jobs to countries with lower labor costs, leading to redundancies in the home country.
8. Bankruptcy or insolvency of a company, leading to a complete shutdown or significant layoffs.
9. Reorganization or restructuring of a company, leading to redundancies and changes in job roles.
10. Changes in government policies or regulations that impact the business environment, leading to layoffs.
11. Economic sanctions that impact the export or import of goods, leading to reduced demand for labor.
12. Natural disasters or other unexpected events that disrupt business operations, leading to layoffs.
13. Changes in the market or industry, such as the decline of coal and oil industries, leading to layoffs.
14. Decline in consumer spending or confidence, leading to reduced business activity and layoffs.
15. Trade disputes or tariffs that impact the export or import of goods, leading to reduced demand for labor.
16. Changes in the business model or strategy, such as moving from brick-and-mortar stores to e-commerce, leading to layoffs.
17. The Impact of the COVID-19 pandemic on the economy, leading to reduced business activity and layoffs.
18. Pressure from shareholders or investors to improve profitability, leading to layoffs.
19. Changes in the political environment, such as changes in government policies, leading to layoffs.
20. Industry-wide consolidation, leading to redundancies as multiple companies merge or are acquired.

Impact of layoffs:

1. Layoffs can have a negative impact on the mental health of affected employees, leading to increased stress, anxiety, and depression.
2. Layoffs can lead to a decrease in consumer spending, as affected employees may have less disposable income and be less willing to make large purchases.
3. Layoffs can have a negative impact on employee morale and productivity, as remaining employees may feel uncertain about their job security and be less motivated to perform.
4. Layoffs can have a negative impact on corporate culture, leading to a lack of trust and loyalty among employees.
5. Layoffs can lead to a decrease in innovation and productivity, as remaining employees may become risk-averse and less willing to take on new projects.
6. Layoffs can lead to a decrease in the overall quality of work, as remaining employees may be overworked and less able to focus on their job duties.

7. Layoffs can lead to increased turnover among remaining employees, as they may feel less job security and be more likely to seek employment elsewhere.
8. Layoffs can have a spillover effect on the wider community, leading to decreased economic activity and consumer spending.
9. Layoffs can exacerbate existing inequalities, as they disproportionately affect workers in low-wage jobs and those with less education.
10. Layoffs can lead to a decrease in social capital, as workers may be less likely to engage in civic activities or participate in their communities.
11. Layoffs can lead to decreased trust and loyalty among customers and suppliers, as they may perceive the company as less stable and less committed to their relationships.
12. Layoffs can lead to increased competition for jobs, making it more difficult for affected employees to find new employment.
13. Layoffs can have a negative impact on the mental health and well-being of affected employees' families, including their spouses and children.
14. Layoffs can lead to increased stress and uncertainty for remaining employees, as they may feel burdened with additional responsibilities and workload.
15. Layoffs can have a negative impact on the company's reputation and image, leading to decreased brand value and customer loyalty.
16. Layoffs can lead to decreased trust and confidence in the company's management and leadership.
17. Layoffs can have a negative impact on the local economy, as affected employees may spend less money in their communities and contribute less to local businesses.
18. Layoffs can lead to decreased employee engagement and satisfaction, as employees may feel less valued and appreciated by the company.
19. Layoffs can have a negative impact on the company's ability to attract and retain talented employees in the future.
20. Layoffs can lead to increased regulatory scrutiny and negative media coverage, which can further damage the company's reputation

SUGGESTIONS

RECOMMENDATIONS / SUGGESTIONS FOR COMPANIES BEFORE ANNOUNCING LAYOFFS IN THEIR COMPANIES.

1. Examine the potential for alternative solutions to layoffs, such as reducing work hours, implementing job sharing, or creating new job opportunities through green investments.
2. Promote employee engagement and involvement in decision-making processes.
3. Offer flexible work arrangements, such as part-time, job sharing, or remote work.
4. Encourage skill development and training opportunities to increase employee versatility.
5. Adopt a proactive approach to identifying and addressing potential financial difficulties.
6. Consider alternatives to layoffs, such as furloughs, reduced work hours, or pay cuts.
7. Provide severance packages that support affected employees.
8. Offer outplacement services to assist employees in finding new job opportunities.
9. Develop a clear communication plan to keep employees informed about company changes and decisions.
10. Consider implementing a short-term or long-term employee retention program.
11. Reassign employees to other positions or departments within the company.
12. Implement a job sharing program where employees share their duties and responsibilities.
13. Consider hiring freezes or reducing overtime rather than laying off employees.
14. Encourage voluntary departures through buyouts or early retirement packages.
15. Conduct regular workforce planning to identify potential risks and opportunities.

16. Offer a sabbatical program to allow employees to take time off to pursue personal or professional goals.
17. Consider reducing executive and management salaries or benefits to save costs.
18. Seek financial assistance or loans to maintain operations during difficult times.
19. Foster a culture of transparency and openness to encourage employee feedback and suggestions.
20. Establish a program to support affected employees with emotional and mental health.
21. Ensure compliance with legal and ethical requirements regarding employee layoffs.

CONCLUSION.

The study on recent layoffs happening across the world has revealed the profound impact that they have on individuals, companies, and the wider economy. Layoffs have been particularly prevalent in industries such as retail, hospitality, and aviation, with a range of factors driving them, including economic downturns, technological advancements, and changes in consumer behavior.

The Impact of layoffs on affected employees, their families, and the communities in which they live is significant. It can lead to reduced income, loss of skills, and mental health issues, as well as having a ripple effect on the wider economy. Companies that are laying off workers also risk damaging their brand image and reputation, which can impact their long-term success.

Government policies and support measures can play a critical role in helping laid-off workers find new employment and preventing the ripple effects of layoffs from triggering a recession. Unions can also play a vital role in protecting the rights of laid-off workers. The study has also highlighted the potential for technology, particularly automation and artificial intelligence, to drive layoffs and change the nature of work. It is essential to consider the impact of layoffs on diversity and inclusion in the workplace, as certain groups may be disproportionately affected.

The Impact of layoffs on employees can be devastating, as they not only lose their source of income but also face the prospect of having to find a new job in a difficult job market. Layoffs can also have wider social and economic impacts, particularly in regions where a particular industry is a major employer. For instance, layoffs in the automotive industry can have a ripple effect on the wider supply chain, leading to further job losses in related industries.

In conclusion, layoffs have become a common phenomenon in India and across the world, driven by various factors such as economic downturns, restructuring, and cost-cutting measures. The COVID-19 pandemic has led to a sharp rise in layoffs across various sectors, but layoffs have also been prevalent in non-pandemic related job losses. The impact of layoffs on employees and wider society can be significant and long-lasting.

In conclusion, the study underscores the need for more effective government policies, support measures, and alternative solutions to layoffs. By doing so, we can mitigate the impact of layoffs on affected individuals and communities, and foster a more equitable and sustainable economy.

REFERENCES.

1. "<https://techcrunch.com/2023/03/27/tech-industry-layoffs/>
2. <https://www.businesstoday.in/technology/news/story/tech-layoffs-github-india-fires-over-140-engineers-say-sources-375109-2023-03-28>
3. <https://www.timesnownews.com/business-economy/companies/mass-layoffs-this-tech-company-sacks-all-indian-employees-deets-here-article-99063407>
4. <https://blog.google/inside-google/message-ceo/january-update/>
5. <https://m.economictimes.com/tech/technology/layoffs-in-2023-list-of-companies-that-have-announced-job-cuts-amid-economic-downturn/articleshow/97403993.cms>
6. <https://www.businessinsider.com/google-layoffs-job-cuts-sundar-pichai-reassures-remaining-employees-2023-1>
7. "Global Layoffs Surpass 100,000 as Pandemic Roils Economies," The New York Times, May 4, 2020: <https://www.nytimes.com/2020/05/04/business/coronavirus-layoffs-business.html>
8. "Thousands of job cuts announced as coronavirus hits business," The Guardian, March 27, 2020: <https://www.theguardian.com/business/2020/mar/27/thousands-of-job-cuts-announced-as-coronavirus-hits-business>
9. "Companies worldwide announce layoffs amid coronavirus outbreak," CNBC, March 19, 2020: <https://www.cnbc.com/2020/03/19/companies-worldwide-announce-layoffs-amid-coronavirus-outbreak.html>
10. "US job losses pass 20 million as coronavirus crisis deepens," BBC News, May 8, 2020: <https://www.bbc.com/news/business-52568696>
11. Europe's jobless rate at highest since 2018," Reuters, January 29, 2021: <https://www.reuters.com/article/europe-economy-unemployment-idUSL1N2K31CA>
12. "India's 2020 job losses were worst in the world, says report," BBC News, February 22, 2021: [https://www.bbc.com/news/world-asia-india-56122056.](https://www.bbc.com/news/world-asia-india-56122056)"

