



**EMPLOYEE'S PERSPECTIVE ABOUT LAYOFFS IN IT INDUSTRY
WITH REFERENCE TO CHENNAI CITY**

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ABSTRACT

This research paper investigates the impact of layoffs on employee attitudes and job performance of employees in the IT industry. Layoffs are a common practice in organizations and it occurs when facing financial difficulties in organizations. However, it negatively impacts the employees, and in view of organizations it seems to be a positive activity. This study aims to understand how layoffs affect employees' job satisfaction and employee's perspective on layoffs. A sample of 115 participants was studied and analyzed to understand layoffs' impact on IT industry employees. The study also states that employee layoffs are a sign of management failure and involve a lack of trust in the organization and its leadership. To overcome the negative impact, employees also suggest some ways in which organizations can improve the process of layoffs, including greater transparency, communication, and support. This will be helpful to both organizations and employees. This research paper provides some safety measures for organizations to overcome the negative impact of layoffs on their employees and suggests some areas for further research.

Keywords: Layoffs, Job insecurity, Job performance, Downsizing.

INTRODUCTION

The information technology (IT) sector is renowned for being dynamic and undergoing fast change as new technologies are developed and corporate goals change. In order for businesses to stay competitive and adaptable, layoffs have thus become a frequent practice in the sector. Although layoffs may be required to preserve financial stability, they can have serious repercussions for the impacted personnel.

Even though layoffs are common in the IT sector, little is known about how staff members feel about and view the practice. This study examines employee opinions on layoffs in the IT sector in an effort to close this gap. We specifically want to comprehend how IT workers perceive layoffs and the financial, social, and emotional effects of layoffs on them.

A mixed-methods approach is used in the study, which draws on surveys and in-depth interviews with a wide range of IT workers who have gone through layoffs. By studying their narratives and viewpoints, we want to elucidate the subjective experiences of IT personnel who have been let go and their perceptions of the practice.

The study is organized as follows: first, we give a summary of the body of research on layoffs and their effects on workers in the IT sector. The research methodology and sample characteristics are then presented. The research's findings are then discussed, including how layoffs affect IT workers' emotional, social, and financial well-being as well as how they perceive the practice. Finally, we wrap off with recommendations for further study and practical applications.

The study is important because it offers insight into the experiences of IT workers who have been laid off. This information can help design more ethical and compassionate methods of reducing the workforce in the IT business.

Over the past few decades, the IT sector has played a significant role in propelling both global economic growth and technological advancement. Although the sector has experienced fast expansion and success, it has not been exempt from the difficulties brought on by unstable economic conditions and shifting market dynamics. As a result, layoffs in the IT sector have increased in frequency and now affect both big and small businesses. Researchers, decision-makers, and the general public have all paid close attention to the recent wave of layoffs in the IT industry in an effort to comprehend its roots and effects. This study intends to investigate the variables influencing recent layoffs in the information technology sector.

OBJECTIVES OF THE STUDY

- To study the factors responsible for the impact of layoffs on the IT industry
- To study the changes happening in the IT industry due to Layoffs

REVIEW OF LITERATURE

The presentation of a prescribed model for layoff announcements. The model is based on a comprehensive examination of the literature and a detailed case study analysis of eight businesses that announced layoffs. Ten suggestions for effective layoff notifications are offered and explored using the model. The main tip is to design a detailed strategy because the examination of the instances showed that most announcement-related strategies were only cursory. An effective plan should be developed using this approach. In this model, organizational dynamics and the type of layoff are taken into consideration first. The source of the news, the medium via which it is delivered, the time of the announcement, and the message itself are other factors to be taken into account. (Smeltzer, L. R., & Zener, M. F. (1994))

The study of staff downsizing has gained importance as the practice has spread more widely in recent years. This article creates an integrative framework that considers organizational and environmental antecedents and the effects of downsizing on people and organizations. Major trends and conflicts are reviewed in key empirical investigations. The authors highlight and analyze theoretical and methodological

issues with the existing literature and suggest future studies that will help us better understand staff downsizing. (Datta, D. K., 2010).

Downsizing is used by organizations to boost efficiency and save costs, although it can lead to employee unhappiness. The current study investigates the effects of downsizing on the job satisfaction and life satisfaction of layoff survivors. The current study's sample is collected from the two major organizations operating in Pakistan. The study had 450 participants, with a 75% response rate. The findings indicate that downsizing has a negative impact on survivors' job satisfaction and life satisfaction. The difference in job and life satisfaction experiences between the two organizations is also evaluated. The findings are contrasted and evaluated in light of the existing literature. This research will help researchers, academics, and policymakers understand the impact of downsizing on job satisfaction and life satisfaction. (Malik, M. I., Ahmad, A., & Hussain, S. (2010).

This study aimed to look into how mass layoffs affect surviving personnel in organizations. This study primarily investigated the relationships between mass layoffs and employee work behaviors. It was hypothesized that mass layoffs would have a negative impact on employee performance and organizational citizenship behaviors (OCB) due to their connections with job instability and psychological contract breach. Furthermore, perceived management support was expected to buffer against the negative relationships of contract breach with employee performance and OCB. A survey of 615 employees from various Chilean organizations found support for the theories. Through the use of the psychological contract as a means of comprehending the connections, our study increases understanding of the processes underpinning how mass layoffs influence employee behavior in the workplace. (López Bohle, S., Bal (2017).

Millions of Americans were laid off in major layoffs in 2013, which not only sparked resentment among employees. However, it also opened the possibility of retaliatory lawsuits. Profitable businesses, on the other hand, are still undergoing restructuring and layoffs, which have a detrimental impact on employees, management, and survivors. Such activities instill distrust in management and continue to afflict the workers and the economy. The goal of this phenomenological study was to investigate the effects of layoffs and downsizing on employee trust, job performance, behavior, and health. The research questions, which were informed by Sarker's theory on management and employee trust, investigated participants' work attitudes and performance after layoffs. Twenty participants, including both managers and workers who had been laid off or had survived layoffs, twenty participants took part in semi-structured interviews, including both managers and individuals who had been laid off or had survived layoffs. Carrington, L. (2016).

This study looked at the factors that influenced survivors' coping reactions to a recent workforce reduction that included permanent layoffs. The participants consisted of 200 unionized telecom technicians. Survivors who had a high level of optimism and a strong sense of mastery were more likely to participate in control-oriented coping. The perceived threat of job loss was associated with the use of both controls and escape coping, whereas powerlessness was associated with the use of control coping. Control coping was linked to beneficial outcomes, while escape coping was linked to bad ones. Coping influenced the outcome variables in both additive and interacting ways. The management implications of these findings are highlighted. (Armstrong-Stassen, M. (1994).

The idea that a high perceived level of control can lessen the negative impacts of layoffs on survivors was examined in two field investigations. While Study 2 comprised survivors who experienced varied degrees of well-being risks in the post-layoff setting, Study 1 focused on participants who either saw layoffs or did not. Results revealed that survivors' organisational commitment and job performance were significantly less negatively impacted by layoffs when there was a sense of control over the situation. Particularly, employees' attitudes and behaviours at work were more significantly correlated with perceived control when layoffs were present and when they felt the post-layoff atmosphere was more dangerous. These findings reveal useful implications for managing organisational downsizing and shed light on how layoff survivors' emotions may be influenced by their perceptions of control. (W., Pepper, L., & Weinberg, J. (2004).

METHODOLOGY

RESEARCH DESIGN

The experimental research design was used for this investigation. When conducting research, independent variables are applied to and subjected to manipulation with the goal of observing the influence of the latter on the former. By tracking and analyzing how independent and dependent variables change over time, researchers may be able to plausibly infer a relationship between them.

DATA COLLECTION

- Primary sources of data are the data collected directly from the respondents. The data collected from the samples are from employees from the IT sector in India, through structured questionnaires and discussions.
- Apart from primary data, the secondary data were collected through journals, magazines, publications, articles from a review of literature, and websites.
- Convenience sampling techniques for data collection were also employed for various reasons.

TOOLS USED FOR ANALYSIS

- SPSS software was used to analyze the survey data.

- The association between layoffs and their causes was examined using factor analysis (FA).
- Here, the chi-square and crosstabs were applied to determine which gender was more negatively impacted.

ANALYSIS AND DISCUSSIONS

Descriptive Statistics:

The study included a Structured Questionnaire, which was distributed to working workers in the IT sector. The study received 115 replies, and the following methods were employed to analyze them. The descriptive statistics are as follows: In the study, there are 65 responses in the age group of 19-23 years, 39 responses in the age group of 24-28 years, 4 responses in the age group of 29-35 years, and 7 responses in the age group above 35 years. 62 male responses and 53 female responses and 90 unmarried respondents, and 25 married respondents. 56 respondents pursued UG and 48 respondents pursued PG, 6 respondents pursued a diploma and 4 respondents pursued a doctorate.

CROSS TABULATION:

In your opinion, what are the main reasons for the layoffs in the IT industry

Gender	Reduced demand for services	Automation and technology advancements	Performance	Financial difficulties of the company	Total
Male	12.2%	15.7%	20.0%	6.1%	53.9%
Female	8.7%	13.9%	9.6%	13.0%	45.2%
Prefer not to say	0.0%	0.0%	0.0%	0.9%	0.9%

From the table, it can be understood that 20.9% of the total respondents Reduced demand for services with the statement of main reasons for the layoffs in the IT industry, 29.6% of the total respondent's Automation and technology advancements, 29.6% are Performance about the statement, and 20.0% Financial difficulties of the company with the statement.

From the analysis, it has been found that $p\text{-value} (0.088) > 0.05$, thus confirming the null hypothesis that there is no difference between gender and the main reasons for layoff in the IT industry.

Do you feel your overall job security is secured after the layoff announcement

Gender	Strongly disagree	disagree	Neutral	Agree	Strongly agree	Total
Male	6.1%	20.0%	11.3%	6.1%	10.4%	53.9%
Female	0.9%	26.1%	4.3%	2.6%	11.3%	45.2%
Prefer not to say	0.0%	0.9%	0.0%	0.0%	0.0%	0.9%

From the table it can be understood that 7.0% of the total respondents strongly disagree with the statement for overall job security is secured after the layoff announcement, 47.0% of the total respondents disagree, 15.7% are neutral about the statement, 8.7% agree, and 21.7% of them strongly agree with the statement.

From the analysis, it has been found that $p\text{-value} (0.202) > 0.05$, thus confirming the null hypothesis that there is no difference between gender and the overall job security secured after the layoff announcement in the IT industry.

Have you been personally affected by a layoff process at the company

Gender	Strongly disagree	disagree	Neutral	Agree	Strongly agree	Total
Male	3.5%	4.3%	15.7%	17.4%	13.0%	53.9%
Female	2.6%	7.0%	7.0%	19.1%	9.6%	45.2%
Prefer not to say	0.0%	0.0%	0.9%	0.0%	0.0%	0.9%

From the table it can be understood that 6.1% of the total respondents strongly disagree that they been personally affected by a layoff process at the company after the layoff announcement, 11.3% of the total respondents disagree, 23.5% are neutral about the statement, 36.5% agree, and 22.6% of them strongly agree with the statement.

From the analysis, it has been found that $p\text{-value} (0.454) > 0.05$, thus confirming the null hypothesis that there is no difference between gender and personally affected by a layoff process at the company in the IT industry.

Do you feel that the company is being transparent about the reasons for the layoffs

Gender	Strongly disagree	disagree	Neutral	Agree	Strongly agree	Total
Male	6.1%	19.1%	10.4%	9.6%	8.7%	53.9%
Female	3.5%	15.7%	5.2%	8.7%	12.2%	45.2%
Prefer not to say	0.0%	0.0%	0.9%	0.0%	0.0%	0.9%

From the table, it can be understood that 9.6% of the total respondents strongly disagree with the company's being transparent about the reasons for the layoffs announcement, 34.8% of the total respondents disagree, 16.5% are neutral about the statement, 18.3% agree, and 20.9% of them strongly agree with the statement.

From the analysis, it has been found that $p\text{-value} (0.419) > 0.05$, thus confirming the null hypothesis that there is no difference between gender and company being transparent about the reasons for the layoffs in the IT industry.

Do you feel that the company provided adequate communication regarding the layoffs

Gender	Strongly disagree	disagree	Neutral	Agree	Strongly agree	Total
Male	7.0%	20.0%	14.8%	6.1%	6.1%	53.9%
Female	3.5%	14.8%	12.2%	7.8%	7.0%	45.2%
Prefer not to say	0.0%	0.0%	0.9%	0.0%	0.0%	0.9%

From the table it can be understood that 10.4% of the total respondents strongly disagree with the statement that the company provided adequate communication regarding the layoffs d after the layoff announcement, 34.8% of the total respondents disagree, 27.8% are neutral about the statement, 13.9% agree, and 13.0% of them strongly agree with the statement.

From the analysis, it has been found that $p\text{-value} (0.798) > 0.05$, thus confirming the null hypothesis that there is no difference between gender and company-provided adequate communication regarding the layoffs in the IT industry.

FACTOR ANALYSIS:

Factor analysis (FA) is used to investigate the link between layoffs in IT workers and the factors that affect it. The factor analyzed in the study includes Stimulus/Motivation, Bonding, Translucence, and Conveying. In an effort to comprehend the dominant variables, factor analysis has been used to condense the variables into four components. With the assistance of SPSS. The relationship between Layoffs and the aforementioned parameters is depicted in Figure 1. The variables which have commonalities of more than 0.5 have been taken for study.

KMO is the test conducted to understand the strength of the correlation, i.e., the factors explaining each other, between the variables. KMO values closer to 1.0 are considered ideal and less than 0.6 indicates that the sampling is not adequate.

Bartlett's test of Sphericity indicates the testing of null hypothesis.

The analysis has shown KMO's value to be 0.832 indicating there is correlation between the variables.

Bartlett's test of Sphericity value $0.000 < 0.05$ indicating that the correlation matrix is not identical thus proving the relationship strength among the variables.

ITEMS	FACTOR LOADINGS	FACTOR
Do you believe the company should provide resources and support for laid-off employees	.659	Stimulus/Motivation
Have you been personally affected by a layoff process at the company\	.605	
Do you feel demotivated after the announcement of the Layoff in the company	.676	
After the announcement of the layoff do you think the freshers will work enthusiastically as before	.705	
Do you feel that your organization laid off good-working employees	.532	
How do you think layoffs impact the morale and motivation of remaining employees	.529	
Do you think that your organization informs before laying off the employees	.624	Bonding
Do you think the layoffs will impact your work and workload	.801	
Do you feel your overall job security is secured after the layoff announcement	.673	
In any case, do you feel that AI has overtaken your job by downsizing	.718	
Do you 4 that the company handled the layoff process fairly	.590	Translucence
Do you feel that the company is being transparent about the reasons for the layoffs	.663	
Do you feel that the company provided adequate communication regarding the layoffs	.919	Conveying

Four Factors have been identified and named thus

- A. Stimulus/Motivation - Employees are personally affected that causes their activity, development, or interest after layoffs
- B. Bonding – Employee considers communication as a main factor because there is no effective communication with the employees about Layoffs
- C. Translucence – The layoffs information shared with the employees by the company should be transparent
- D. Conveying – The employee expects the information conveyed to them should want to be clear and easy to understand.

CONCLUSION

Employees from a variety of businesses have recently been hit by numerous layoffs. With many sufferings financial hardships and an unclear future, these events have left workers feeling unsure and insecure. These layoffs have had a huge effect on not just the impacted workers but also their families, communities, and the overall economy. It's crucial for impacted employees to remain optimistic and aggressive in their job search despite the difficulties. Additionally, it's critical for businesses to place a high priority on the health of their workers by offering assistance, direction, and resources to those affected by layoffs. Employers and employees must collaborate to identify new opportunities and develop strategies to adjust to the shifting nature of the employment market as we navigate these difficult times.

Overall, the recent layoffs have brought attention to the necessity of creativity, adaptation, and resilience in people and organizations. We can meet the challenges posed by the current economic situation and come out stronger and more equipped for the future by cooperating and utilizing these abilities.

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