

Indian Tech Workers after the Great Layoff

Monday 17 July 2023, by [KUTTAPPAN Rejimon](#) (Date first published: 4 July 2023).

In August 2022, Rajesh Kumar (name changed) was a happy production manager at BYJU's, an Indian educational technology (edtech) company providing adaptive learning techniques for 150 million students all over the world, in its Kerala office.

Indian film superstars like Shahrukh Khan, Mohanlal, and Mahesh Babu and Olympic medallists like Neeraj Chopra and PV Sindhu were the brand ambassadors.

In September 2022, Rajesh read allegations of financial difficulties in BYJU's. [News reports](#) claimed that BYJU's loss ballooned to 550 million USD in delayed FY21 results.

The company had [announced](#) a rationalization plan involving 5% of its 50,000-strong employees. This meant the possible termination of 2,500 employees in the coming months.

But Rajesh never thought that he would be laid off. However, he had been telling himself that he should be prepared to expect the unexpected because layoff stories were slowly becoming the new normal in the sector.

Left Clueless

On October 26, on his way home from work at 7 p.m., he received an email alert. He unlocked his phone and found an email from his Bangalore office headlined, *Relocation Opportunity for TVM (Trivandrum, Kerala's capital city) Team and Other Advantages*. He was puzzled. He clicked on the email. The first line alone was stunning. It read,

“As you are aware, BYJU's is currently realigning its resources towards the singular objective of profitable growth; in this regard, our Trivandrum centre will now be shut down. However, I want to assure you that your jobs are secure. We have made provisions to accommodate the entire Trivandrum team, which we hold in high regard in our Bangalore operations. All you need to do is join the Bengaluru team by December 1 to resume your current roles and have access to even better growth opportunities. In case you choose not to avail this opportunity, you will still get a progressive exit package. The package includes a six-month extension of health insurance for you and your family, a fast-track full-and-final settlement, the provision of 'garden leave' where you remain on our payroll as you look for a new job....”

He rang his friends. Everyone got the same shocking email, and no one knew about the next step.

“We all went to the office as usual. But we were clueless about what to do. But they (the Bangalore office) had a proper plan. They arranged a Zoom meeting and announced the shutdown notice,” Rajesh told Asian Labour Review.

“There were some 150 techies in the Trivandrum office. Some were married, some had other financial liabilities, some had joined the company only weeks ago, for some, it was their first job, and

so on. So, we decided to approach the state government,” Rajesh said.

In between, there was an interesting development. News reports claimed that BYJU’s had roped in Lionel Messi, spending about \$5-7 million per year to be its brand ambassador.

Indian and global media widely reported this. But every news report had a paragraph about layoffs too.

“When we heard this billion-dollar deal, we were being laid off,” Rajesh said.

Finally, putting an end to the controversy over money in hiring Messi, [Byju Raveendran and Divya Gokulnath](#), founders of BYJU’s said that they had entered into a partnership with Messi for its social impact arm ‘Education for All’ (EFA) without paying money for the association.

Meanwhile, [the news](#) of the Kerala office layoff spread across Kerala like wildfire as BYJU’s is owned by Byju Raveendran, a teacher turned entrepreneur from northern Kerala.

The 150 workers were stranded. They wanted BYJU to retain them or give them a proper exit promise. The workers met V Sivankutty, the state’s minister of General Education and Labour, seeking compensation from BYJU.

Minister Sivankutty posted about meeting Byju’s employees on his Facebook page, adding that the Labour Department would inspect this matter.

“At Technopark, Thiruvananthapuram Employees of Baiju’s app came and met me with the office bearers of IT employees welfare organization Echo of Technopark. Employees have many complaints, including job losses,” [Sivankutty said](#).

The workers were hopeful. “But nothing positive happened as Byju met Kerala Chief Minister Pinarayi Vijayan and assured that the Kerala office won’t be shut down,” [Rajesh said](#).

“Yes, the office wasn’t shut down. But by then, almost all employees had started to look for jobs in other places. I also left. And I heard that there are only 50 employees now (April 2023) there,” Rajesh added.

25,048 Laid Off

Rajesh’s case is not an isolated one. Gopal Krishnan K, a SaaS firm employee in Bangalore, the IT hub of India, had to quit during the last week of March, as the Berlin-headquartered company was shutting down its operations in India.

“Whether it’s the global crisis or cost cutting, we don’t know. Whatever it is, in January, we were told that the office in India would be shut down, and we can either look for a job outside or join the company in Berlin,” Gopal said.

When Gopal and a few others decided to stay back in India, the company provided him with a decent exit.

“I know it is hard to get a new job now. However, I am hopeful,” Gopal added.

According to the Inc24 layoff tracker April 11 report, so far, 25,048 employees have been laid off by 88 startups, including unicorns BYJU’S, Chargebee, Cars24, Dunzo, LEAD, Ola, OYO, Meesho, MPL, LivSpace Innovaccer, Udaan, Unacademy, and Vedantu.

[The report](#) adds that the Edtech sector has laid off the most employees, with 19 Edtech startups laying off 9,000+ employees.

Legal Protection

Abhilash MR, a supreme court lawyer in India, told ALR that there is a misconception that IT firms are exempted from Indian Labour Laws.

“No, it is not right. Industrial Disputes Act, 1947, and Factories Act, 1946 are not applicable. But The Trade Unions Act, 1926, The Payment of Gratuity Act, 1936, The Minimum Wages Act, 1948, and The Sexual Harassment of Women (Prevention, Prohibition, and Redressal) Act, 2013 are applicable,” the senior lawyer said.

The senior lawyer added that the country’s labour and industrial regulations also apply to the IT industries, though not all.

He added that many labour laws that apply to other businesses but are not to the IT industries had been exempted.

“The legal duties placed on the IT sectors are avoided to the best of their ability, but no one is above the law, and no one has the authority to abuse a worker’s or employee’s fundamental rights under any circumstances,” he concluded.

Welfare Board

AD Jayan, general secretary of the Association of IT Employees, a trade union affiliated with the Centre of Indian Trade Unions, is a director of the Kerala IT Welfare Board.

Kerala is India’s only state with a welfare board for tech workers. Starting in 2021, any tech worker working from an office or working from home can join the welfare board.

The Kerala IT Welfare Board is a statutory body established by the Government of Kerala in 2022 to promote the welfare of IT and ITES employees in the state. The board provides a variety of welfare schemes and benefits to its members, including a monthly pension of Rs. 3,000 provided to all members of the board who have completed at least 20 years of service.

It also provides a lump sum amount of Rs. 15,000 to female members of the board who are on maternity leave and a lump sum amount of Rs. 10,000 to male and female board members who are getting married.

Additionally, the board provides financial assistance to members for medical treatment up to a maximum of Rs. 15,000 per year. It offers training and development programs to members to help them enhance their skills and knowledge.

The board also provides scholarships to the children of members to help them pursue higher education. The Kerala IT Welfare Board is a valuable resource for IT and ITES employees in Kerala. The board’s welfare schemes and benefits help to improve the lives of its members and their families. The board’s annual budget is around USD 12 million.

According to Jayan, if a tech worker is working in a company, then the company will pay \$1.2 from its side for the worker, and he will pay \$1.2 from his pocket every month and if it is a freelance IT worker, he should \$2.4 to join the board.

“If this continues for ten years, then that will guarantee him a monthly pension of \$25,” Jayan said, adding that women workers will be given financial aid of \$189 during pregnancy and \$125 for marriages.”

“Beneficiaries will get \$189 for medical treatment,” Jayan said, adding that around 150,000 tech workers in the state can be benefitted from the board.

Joining Unions

By the beginning of April 2023, layoffs have become non-news. While a few laid off got new jobs in new places, others are still on the hunt. And when the trouble knocked on their doors, the tech workers, who are usually reluctant to join unions and stand up for collective bargaining, started to approach the trade union leaders.

AD Jayan, general secretary of the Association of IT Employees, said, “The number of tech workers joining the union is increasing.”

“We have had a union since 2006. Our membership was growing very slowly. But since 2021, the number has crossed 25,000, a huge jump,” Jayan said.

“When there is a crisis, then they will understand the need for collective bargaining. They will come to us. We will assist them and fight for their rights. In most cases, we have been able to get justice,” Jayan said. He added that still tech workers are reluctant to join unions. “They see that these things are not for them,” he added.

Talking to Asian Labour Review, Sooraj Nidiyanga, Secretary of Karnataka State IT/ITeS Employees Union (KITU), said in the first three months of 2023, around 10,000 tech workers in Karnataka joined the union.

“Tech workers are aware of their rights. We have been successful in sensitizing them. The number of workers joining is increasing,” Sooraj said, adding that most of the troubled tech workers who approach them mainly need back the job.

Karnataka is known as the IT hub of India. According to [Karnataka Development Index](#), in 2022, over 1,400 IT firms in Karnataka that employ over 4 million people exported software worth USD 80 billion, close to 40% of India’s total exports.

Karnataka is also the startup capital of India, with over 13,000 startups out of the 57,000 startups in India.

Meanwhile, Alagunambi Welkin, General Secretary of the Union of IT and ITES Employees (UNITE) in Tamil Nadu said that tech workers come to them to get the issue resolved after that, they disappear.

“However, the number of SOS calls is high. It shows that there is a crisis in the sector. And tech workers are in distress,” Welkin added.

Rejimon Kuttappan is an Independent journalist based in India and author of Undocumented: Stories of Indian Migrants in the Arab Gulf (Penguin 2021).

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