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What's next in the tech layoff saga?

With funding hard to come by and a growing pressure to turn profitable, job cuts and hiring freezes may continue in 2023.



Employees work at the Think & Learn Private Limited office in Bengaluru, India. Dhiraj Singh/Bloomberg/Getty Images

Tired of all the headlines about layoffs and pink slips? Well, you might want to brace yourself!

Experts believe this might be just the beginning of job cuts in India. "I think it has just started," Shrijay Sheth, co-founder of LegalWiz.in, which provides legal and compliance services to tech startups in India, told me.

"During and post Covid, several companies doubled their sizes — including some small tech firms that hired crazily because the world was going towards digitization," Sheth said. "Now, when it starts becoming more 'unit economics-driven,' it will become an opportunity for some companies to cut their unnecessary load, and

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demand may also slow down, given the overall global macroeconomic scenario.”

In the last month alone, at least 5,000 Indians working at large tech companies and startups have been laid off, according to my back-of-the-envelope calculation. By some estimates, nearly 16,000 Indians lost their jobs at Indian startups in 2022. From global giants like Twitter to Indian poster children like Byju’s, job don’t seem safe anywhere at the moment.

What’s worse is that new jobs are currently hard to come by.

Hiring in the Indian tech industry was 18% lower in October compared to a year ago, according to Naukri JobSpeak, an index that measures month-on-month hiring trends, based on recruiter activities on leading jobs portal Naukri.com. Senior-level talent (professionals with over 13 years of experience) may still find some opportunities, but demand for freshers and mid-level professionals was pretty muted in October, according to Naukri JobSpeak.


“Over the last couple of years, we saw a hiring spree,” Somdeep Deb, vice president of consulting services at Right Management, a firm that helps people transition to new career opportunities. “Organizations have been bullish anticipating a higher valuation and a lot of inflow of funds from venture capitalists. Probably the organizations could not anticipate that the boom of the pandemic [would] go down so fast. I think, now, the message has gone to these organizations that probably they need to conserve cash better.”

Sheth of LegalWiz.in believes that when the global funding winter reaches its peak, Indian startups will be careful about each person they hire. “When there was enough demand, any mediocre resume would also fly through interviews like a piece of cake. ... It was a luxury that companies had, where they wanted 100 people, but they ended up hiring 150 because they had enough funds to cover salaries, and they wanted to be aggressive. ... That liberty to hire an additional 10 to 20% workforce will go away.”

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Although Deb doesn't expect 2023 to be as "unfortunate" for tech workers as the last quarter of 2022 is because "some of the calls have already been taken," he does feel that organizations should look at going a little slow while creating a hiring pipeline. 

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