**Global Layoff since**

**March 2020 – February 2023**



**Background**

Considering the recent layoffs in big tech companies, I got curious. Is this isolated to companies with funding difficulties in a specific country or spread across other countries? To solve the riddle, I went on Kaggle.com and found that tens of thousands of people have lost jobs in the past two years since COVID-19 was declared a pandemic by the World Health Organization.

**Insights:**

As stated in the introduction, we understand that layoffs have been rampant in tech companies in the US. However, in this dataset, unlike our understanding, tech companies like Meta and Amazon were categorized as Consumer and Retail, respectively. So that raises questions like which companies are seen as “tech companies” is “tech” an industry? There is no one size fits all answer to these questions. Some experts believe tech is an industry, while others believe all living companies use technology today. Hence tech is not an industry. It serves every industry.

On the first look at the data, I assumed companies with less funding would automatically lay off more staff, simple logic, less money, and fewer people. However, to my surprise, listed companies (IPO) with the highest funding laid off the highest number of people.

Based on research, listed companies (IPOs) often face external pressure and are more volatile because of the stock market. Companies are obligated to create value and profit for the stockholders, and because their report sheet is public, the pressure and structural changes that occur when they go public make them more susceptible to cutting funds, hence cutting staff.

We see from Layoff by Year above that layoffs have been significantly affected by the COVID-19 pandemic in 2020 and geopolitical issues leading to supply chain disruptions, high inflation, high-interest rates and low spending in 2023. Till February 2023 highest layoff percentage is seen in 2022 year, since 2023 is not over so will observe the data of layoff later on for the rest of the months.

As seen in Layoff by Month, the layoff was highest in January, followed by November and April. Country wise if we see USA has highest lay off rate followed by India and Germany, for USA the layoff rate is nearly 75% highest as compare to rest of the world. Furthermore, consumer based industries and retail have highest rate of layoffs as after COVID these industries have suffered a large amount of loss in business.

Moreover, Big companies like Amazon, Google, Meta and Microsoft hold highest place in laying off its employees (these companies are consumer based). From the graph of industry based lay off we can observe that layoff in consumer based companies is comparatively higher than service based industries such as construction, HR, Media, etc.

**Recommendations**

Based on the insights from the data analysis, here are some recommendations:

* Diversification of Funding Sources: Companies, especially those planning to go public (IPOs), should consider diversifying their funding sources to reduce dependence on the stock market's volatility. Raising funds from multiple channels can provide more stability during challenging times.
* Agile Business Strategies: In times of uncertainty, businesses should adopt agile strategies to quickly adapt to changing market conditions. Being flexible allows companies to pivot their business models and allocate resources efficiently to remain competitive.
* Risk Management: Companies need to implement robust risk management practices to identify potential threats and prepare contingency plans. A thorough risk assessment can help mitigate the impact of external factors on the workforce and overall business operations.
* Focus on Efficiency and Productivity: To improve profitability and withstand market pressures, companies should focus on improving efficiency and productivity. Investing in technology and automation can help streamline processes and reduce operating costs.
* Employee Support and Communication: During times of layoffs or restructuring, transparent and empathetic communication with employees is crucial. Providing support, resources, and clear explanations can help ease anxiety and foster a positive work environment.

**Conclusions**

Overall, the data analysis suggests that the tech industry has been significantly impacted by external factors such as the pandemic and geopolitical issues. The correlation between funding and layoffs is not straightforward, and the situation remains dynamic as companies adjust to the changing market conditions.