



ALL INDIA BANK OFFICERS' CONFEDERATION

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State Bank of India Officers' Association

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Press Release

All India Bank Officers Confederation, the largest officers' organization having membership of around 285000 officers and the apex trade union of supervisory cadre employees fervently denounces the large scale layoffs of the employees in I.T. industry. All the major Information Technology Giants including Tata Consultancy Services (TCS), Wipro, Infosys, Cognizant, etc. have started firing thousands of their employees leading to fears of massive unemployment in the whole country and loss of livelihoods.

Although the IT companies have given the statement that the employees have been fired as part of their annual "performance appraisal" to align the workforce with the business objectives, the fact remains that the rise of protectionist politics, mainly in United States and other advanced countries, has increased the pressure on companies there to outsource contracts to local companies, instead of firms in India. This is making the growth prospect more difficult for IT companies in India. The trouble in Indian IT industry further worsened with US president Donald Trump's 'Buy American, Hire American' campaign. The US is in the process of tightening the norms for H-1B visas. Nearly 86 per cent of the H-1B visas issued for workers in the IT sector go to Indians and this figure is now sure to be scaled down to about 60 per cent or even less. Indian companies have been now forced to recruit locally.

There is heart burn among the employees who have been fired not only because they have lost their source of livelihood but they have been rated as under performers or non-performers by their respective companies that it would ruin their future job prospects in other organizations too. We can very well understand that the IT companies have awarded lower ratings to the employees to prevent any possible labour litigation over the layoffs. Most of the people may not know that the performance evaluation system of IT Companies is such that a section of employees will inevitably be rated as low performers irrespective of the revenue generated per employee. The IT sector companies amassed so much of wealth when business was doing well, now they should use some of the profit to re-skill and diversify the activity to retain the employees.

It is worth-mentioning in this context that the present government's biggest betrayal of the Indian people has been on its promise of jobs. During the prolonged election campaign prior to the 2014 General Election, our present PM promised jobs to everybody, especially the youth. He harped on youth unemployment and the failure of the earlier government to create jobs. Now, even after 3 years of the formation of the government at the centre, we have not seen any development, rather the situation has only deteriorated further. Even after this exercise of huge layoffs in the IT sector, the government is watching the drama as a mute spectator with no real action to resolve the issue. The Govt. of India, which is signing so many bilateral agreements with other countries and allowing them to start business in our country and also allowed free imports should demand free movement of labour and professionals to other countries also.

We must understand that when people are unemployed in large numbers, it hurts the rest of the economy, creating a cyclical problem. Again, when companies suffer because of lost business, they might in turn be forced to make layoffs of their own, making the unemployment rate rise and overall spending drop even more leading to further loss. As per the data furnished by the government, though the Indian economy has grown in terms of GDP, it has been a laggard in terms of job creation. It generates only two-thirds as many jobs with every unit of growth vis-a-vis the global average. Therefore, increasing GDP will not be enough; the pattern of growth of the economy must be changed to create more jobs. We put on demand that the

government's and the policymakers' mindsets will have to be changed. We cannot allow the government or any other party to play with the future of our youth. We also strongly demand that the government intervenes immediately and arrange to end the large scale layoffs in the IT sector leading to massive unemployment. The All India Bank Officers' Confederation will lend all its support to the IT sector employees in their struggle and we encourage them to form trade unions in every company.



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