

The mass job cuts at TCS and the way forward for Indian IT workers

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Tata Consultancy Services (TCS), India's largest IT company, has initiated the biggest retrenchment in its history, eliminating around 12,000 jobs — roughly 2 percent of its global workforce. Trade union sources and media reports indicate the real number could be even higher.

These cuts come at a time when TCS is posting profits of over 120 billion rupees (\$US 1.3 billion) every quarter, with profit margins near 20 percent.

On August 19, IT workers held protests outside TCS offices across India, including in Chennai, Bengaluru, Pune, and Hyderabad. While limited and organised with the support of a union with the ties to the Stalinist-led Centre of Indian Trade Unions (CITU), the protests were significant, indicating that a section of IT workers is increasingly recognizing the need for collective action and identifying themselves as part of the working class. Long isolated behind corporate gates and branded "middle class" by the media and their employers, IT workers are entering on the path of class struggle.

The protests revealed a deep undercurrent of anger at TCS's readiness to strip workers, who have often endured great hardship to acquire their skills, of their livelihoods and the IT giant's ruthless pursuit of profit. However, the leaders of UNITE (the Union of IT and ITES Employees) ensured these actions remained token, channelling militancy into safe, symbolic demonstrations, and appeals to the pro-big business state authorities to intervene on the workers' behalf.

The attack on IT workers is bound up with global pressures. The global IT giants such as TCS and its rivals Accenture, IBM, Amazon Web Services, and other multinationals are competing for billion-dollar contracts in Artificial Intelligence (AI) and cloud services. They slash jobs to increase their profits while offering competitive bids to their global clients.

Moreover, this assault is deepened by international tensions, above all Washington's trade war. The Trump administration, which has already hit India's merchandise exports with punitive 50 percent tariffs, is threatening to similarly impose tariffs on services, including Indian IT services. The United States is the largest market for Indian outsourcing firms. Companies like TCS and Infosys have responded to these pressures by squeezing workers to produce greater profits through longer hours and wage suppression, and by using AI to

eliminate jobs.

Far from being an Indian peculiarity, this is part of a global corporate offensive. Oracle in the United States and other giants in Europe have carried out similar mass cuts. On the other hand, the wealth of Oracle's CEO and prominent Trump-supporter Larry Ellison rose by \$100 billion in a single day earlier this month, making him the world's richest man.

The assault on IT workers is not confined to retrenchments of existing staff. Hiring across the sector is collapsing. Recent reports show a 2–3 percent dip in overall recruitment, with the six largest IT firms, including TCS and Infosys, taking on only 3,800 employees in a recent quarter—a staggering 72 percent fall compared to the previous period.

Between July and August, tech hiring fell another 10 percent, with just 43,000 job openings nationwide, down nearly a quarter from the same time in 2024 and over 40 percent from 2022. The companies are not expanding but consolidating, backfilling only essential positions while forcing higher "utilisation rates" from remaining staff.

This hiring freeze has devastating implications for young graduates. Analysts estimate that IT firms will hire 150,000 fewer workers than projected in the second half of 2025. The promise of secure, mass white-collar employment in IT is collapsing, while companies simultaneously boast of investments in AI, machine learning, and cloud projects. The result is a brutal contradiction: tens of thousands of jobs destroyed or withheld, while demand is redirected only to narrow layers of "niche" talent.

Further blighting the prospects of Indian IT graduates is the Trump administration's plans to restrict and impose a \$100,000 fee for H-1B visas, as part of its incitement of American First chauvinism and xenophobia.

AI and automation, extraordinary advances of human knowledge, are increasingly being deployed as weapons against workers, across all industries, including the IT and IT-enabled services sectors. Algorithms are used to decide who is "useful" and who is disposable. Monitoring software records every keystroke, and tasks are fragmented into easily duplicable units in order to slash costs—in a process that has been dubbed "digital Taylorism."

The corporate talk of "efficiency" translates into a brutal

attack on IT workers. Workers are told, “Resign or we will give you bad feedback,” thereby threatening to make it still more difficult for the targeted worker to find employment elsewhere.

A common tactic is laying off experienced, better-paid workers to replace them with newer employees earning significantly smaller salaries.

After announcing the mass job cuts, TCS announced the lowest salary hikes in four years, averaging between 4.5 and 7 percent.

At the same time, CEO K. Krishnaswamy took home an annual pay package worth 265 million rupees or US \$3.18 million, some 330 times the median salary at TRS. Such realities demonstrate the naked truth of capitalism: loyalty and decades of experience mean nothing, while executives and shareholders grow ever richer.

Infosys, another large Indian IT conglomerate, has pursued the same course. Earlier this year, it quietly dismissed hundreds of trainees. Its founder, Narayana Murthy, recently called for the imposition of a seventy-hour work week to boost “national productivity.”

In Karnataka, the Congress-led state government moved to extend working hours in Bengaluru’s tech sector, bending to corporate lobbies and openly siding with big business. Whether led by the Hindu supremacist Bharatiya Janata Party (BJP), the Congress Party, or various regional parties, India’s governments at the Centre and in the states all defend alike the profits of the IT corporations against the rights of workers.

Viral stories of workers resigning in search of “work-life balance” reveal the depth of dissatisfaction. Even the mainstream press, a mouthpiece for corporate interests, now acknowledges that many IT workers are discussing unionisation.

The isolation of IT workers is beginning to crack. The participation of some IT employees in the July 9, 2025 all-India general strike was taken in defiance of their long-standing separation and despite the lack of organizational support from the union apparatuses. It revealed both workers’ militancy and their potential to unite with other sections of the working class on an independent basis.

The Stalinist-led unions, tied to the Communist Party of India (Marxist) and Communist Party of India, play a critical role in suppressing resistance both industrially and politically. For decades, these organisations have isolated and betrayed strikes in every sector—from heavy industry to government service—while politically shackling the working class to the capitalist parties.

When in power in states like West Bengal and Kerala, the Stalinist CPM and CPI have carried out privatisations and imposed austerity. In West Bengal, as part of their self-avowed “pro-investor” policies, the CPM-led Left Front government illegalized strike by IT and ITES workers.

Nationally, in the name of fighting the far-right BJP, they support the Congress-led INDIA alliance, which offers the

ruling class a right-wing alternative if the Modi government should falter. One that would be no less committed to the Indo-US military-strategic alliance and intensifying worker-exploitation through austerity, privatization, and the promotion of precarious contract-labour employment.

IT workers are increasingly realizing that they are not much different from assembly line workers in manufacturing who have long faced arbitrary firings and brutal working conditions. The problems of IT workers can only be addressed through the development of class struggle—the building of an independent industrial and political movement of the working class.

The path forward cannot rely on appeals to the bourgeois law courts or governments, regulatory reforms, or following the existing union apparatus. To wage this struggle, IT workers must organize independently, fighting for demands that directly challenge the dictatorship of capital:

*No layoffs and no forced resignations.

*An end to coercive appraisal systems and victimisation.

*The conversion of all contract jobs into permanent positions.

*The transformation of the IT giants into public enterprises under workers’ control as part of a democratically planned socialist economy directed toward fulfilling human needs, not private profit.

This requires building rank-and-file committees in every IT office, independent of the political parties and unions of the capitalist class and linking up with other sections of the working class internationally. The crisis facing IT workers, highlighted by the layoffs and the collapse of hiring, reveals that capitalism can offer only insecurity, constant surveillance, and extended hours. The resistance of IT workers will succeed only if it is given a conscious, international, and socialist leadership.



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