

Google cutting 12,000 from its payroll to compensate for pandemic-era errors

Article

The news: Google-parent Alphabet will make the deepest cuts to its global workforce in company history.

- In a memo sent to staff on Friday, CEO **Sundar Pichai** announced the “difficult decision” to slash **6.4%** of its global workforce, totaling about **12,000 employees**, per [Insider](#).
- The layoffs will affect **all product areas, levels, and regions including recruitment, corporate teams, and Google’s many engineering and product teams**.
- Alongside the cuts, the tech giant will also delay a portion of employee bonus payouts.

The announcement is part of a steady march of tech layoffs affecting over **55,000 workers** so far this year, per [Layoffs,fyi](#), including a bloodbath of cuts at [Amazon](#), [Microsoft](#), [Salesforce](#), and many more.

- Last week, [WeWork terminated 300 jobs](#) globally.
- [Wayfair will cut 1,750 jobs](#), or about **10%** of its headcount.

Didn’t read the tea leaves: The [layoffs at Alphabet](#), [Microsoft](#), [Amazon](#), and [Meta](#), make **Apple** the only Big Tech player that hasn’t announced a major talent trimming.

- Unlike its peers, Apple’s decision to not embark on bold pandemic-era growth is a likely contributor.
- The **iPhone**-maker added less than **7,000 employees** between September 2020 and September 2021.
- In 2022, it grew by **6.5%**, which was a modest uptick compared with other Big Tech companies’ double-digit increases, per [CNBC](#).

The four tech giants’ overzealous growth between 2020 and 2022 is a crucial factor behind the layoffs.

- It points to executives’ plans for unbridled growth while not accounting for wild cards emerging from a [precarious global environment](#).
- **The misstep will likely push the industry toward more practicality and away from past excesses** even if anticipated recovery provides relief by the end of 2023.

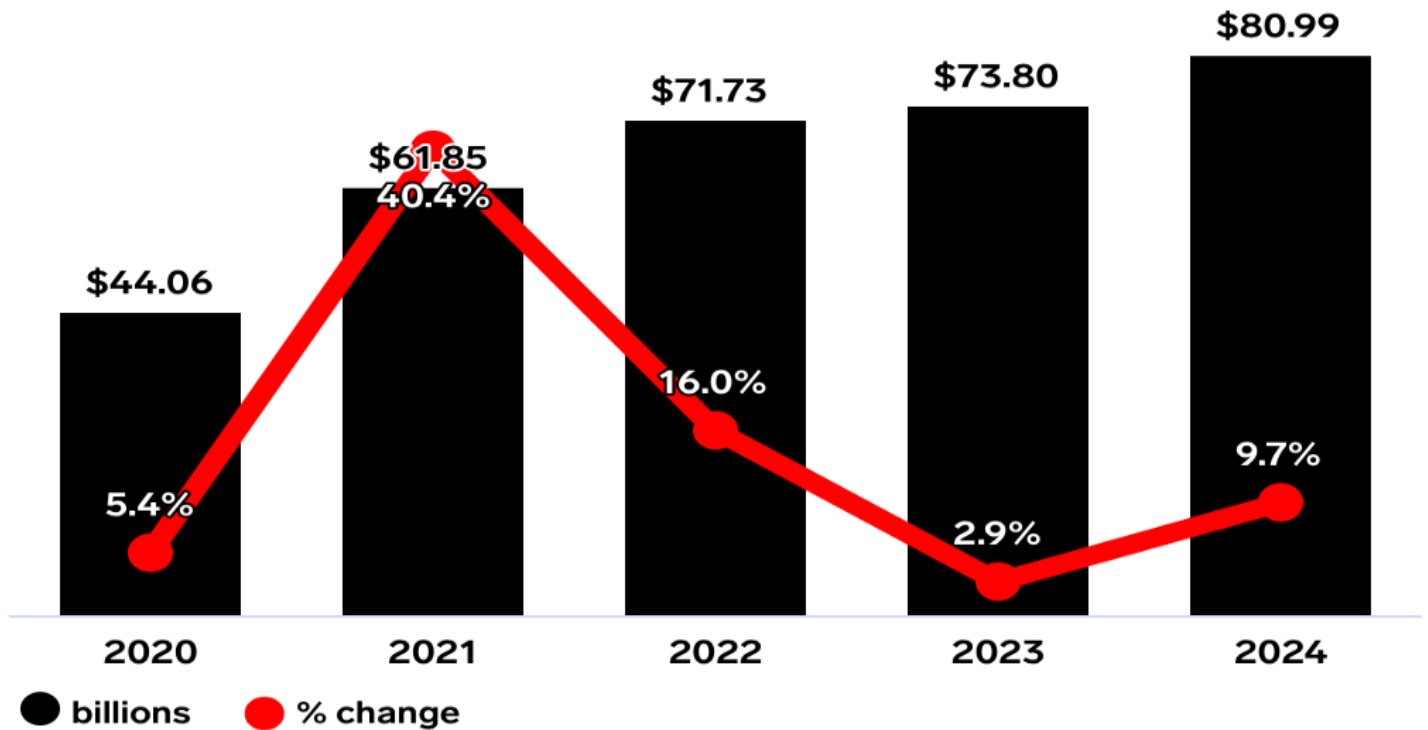
What’s next? Google isn’t just concerned about economic headwinds. Microsoft’s generative AI crusade is setting off market share alarm bells.

- Microsoft's plan to integrate [ChatGPT](#) and similar tech from **OpenAI** across its product lines poses a threat to Google's legacy tools like **Search** and **Docs**.
- We can expect big AI investments and announcements from Google this year as the **tech giant scrambles to monetize [generative AI](#) while avoiding [ethical and legal problems](#) from the technology**.
- Despite the specter of a recession, **China's reopening could give Google and other tech companies an economic boost**.

Laid-off Googlers will likely fare well and be [welcomed by other industries](#). Hiring of entry-level software engineers jumped by **36%** for the government and **28%** for the construction industry between January 2021 and December 2022, per [Bloomberg](#).

Google Ad Revenues

US, 2020-2024



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; includes ad revenues from YouTube; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; gross ad revenues before companies pay traffic acquisition costs (TAC) to partner sites

Source: eMarketer, October 2022

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