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Meta and Google embrace the art of 'quiet banishing'

Article

The trend: **Meta** and **Google** are dealing with layoffs in a low-key manner designed to not attract attention.

Meta's approach: When positions are eliminated, the social giant's employees have 30 days to find a new job inside the company before they are shown the door. Since employees are highly vetted prior to entering, the assumption is that they'll find a new team to join, more often than not.

- This process is fairly typical, per The Wall Street Journal, but lately it's evolved, with strong performers being pushed out regularly.
- According to reports, the company aims to reduce costs by at least 10%, partially through fewer jobs.

Google's technique: About half of the search and tech giant's 100-plus employees in its Area 120 startup incubator were recently given 90 days to find other internal jobs.

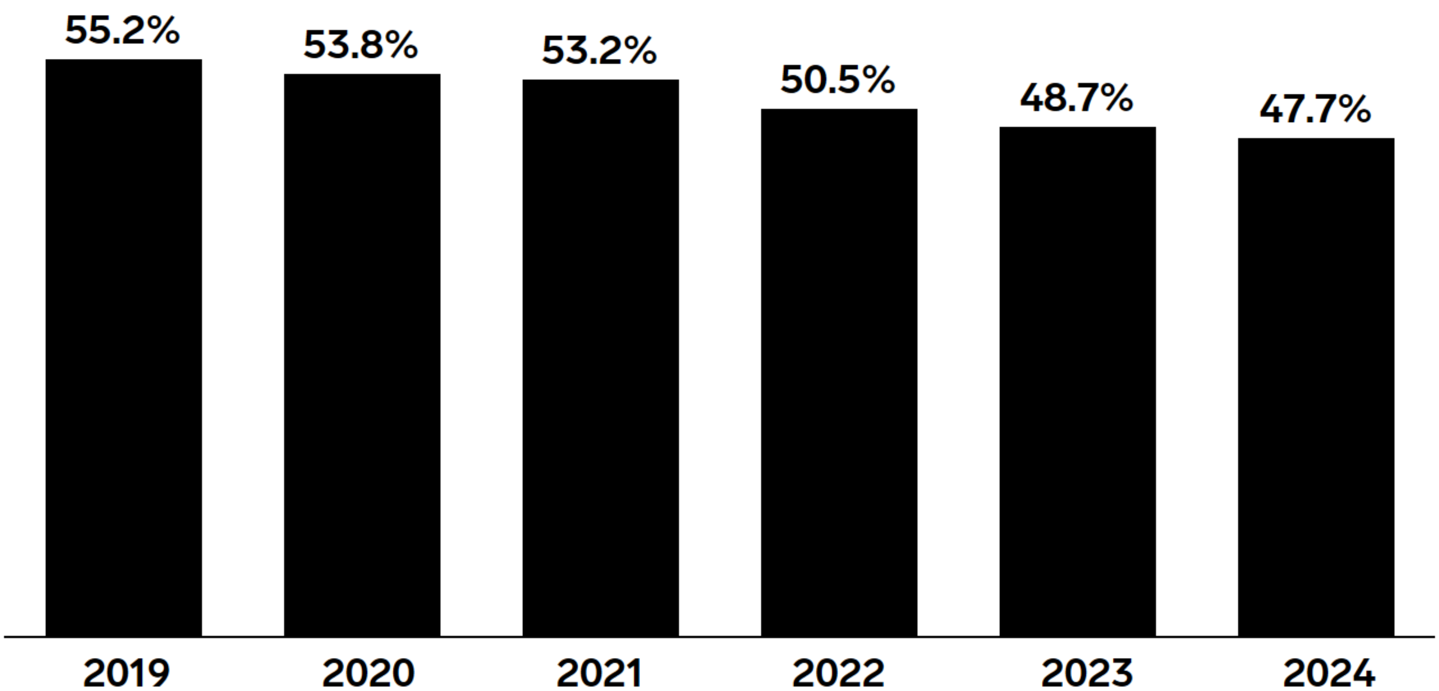
- Over 1,400 Googlers signed a petition asking the company to triple the 60-day period so that more than 100 workers on the Google Cloud team whose roles were eliminated had more time to look for internal transfers.
- Based on Google's comments to The Journal, roughly 5% of employees who saw their roles eliminated didn't find new teams and ultimately were forced to leave.
- The cuts at Google come just after CEO **Sundar Pichai** called for a 20% increase in productivity, presumably to make up for the decision to slow hiring.

The big takeaway: While the market sometimes likes to see mass layoffs (like **Snap**'s recent 20% workforce cut), it's understandable that the digital advertising duopoly may not want to attract attention when it idles staff.

- It's not just lower performers being let go. Meta and Google are losing talented people here, and their loss could be competitors' gain. Some of Snap's recently laid off employees are fielding plenty of interest.
- Quiet layoffs or not, that doesn't change the fact that Meta and Google won't be able to replicate the growth they saw at the dawn of the pandemic—and why their share of digital ad spending in the US **will drop below 50% next year**.

Duopoly* Share of Digital Ad Spending in the US, 2019-2024

% of total digital ad spending



*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; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; *Google (includes YouTube) and Meta (includes Facebook and Instagram)*
Source: eMarketer, March 2022

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