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Google accused of ‘nickel and diming’ workers over fun cuts, but there are more relevant perks

Article

The news: Dialogue between **Alphabet CEO Sundar Pichai** and **Google** employees became tense during a company-wide all-hands meeting this week.

- As Pichai elaborated on the company's "simplicity sprint" initiative, he also fielded tense employee questions about the company's travel and entertainment budget cuts, potential layoffs, and calls for more productivity, per CNBC.
- **One employee accused Google of "nickel and diming" its workforce despite "record profits and huge cash reserves."**
- Pichai's responses reportedly took an annoyed tone at times during the meeting as he explained the macroeconomic conditions behind the cuts and calls for efficiency.
- "I remember when Google was small and scrappy. We shouldn't always equate fun with money. I think you can walk into a hard-working startup and people may be having fun and it shouldn't always equate to money," Pichai said regarding the perk and entertainment cuts, per Entrepreneur.

A growth recession? The exchange coincided with this week's reports of the stock market's plunge and a probable recession on the horizon. Given the context, Pichai's comments are a broader sign of the tech industry trying to show it's preparing for the worst.

- On Monday, the S&P 500 dropped to its lowest point since December 2020. Meanwhile, **Ned Davis Research** thinks a global recession is **98%** likely, per Bloomberg.
- As the Federal Reserve's "soft landing" for the economy remains elusive, it's now aiming for a "growth recession" to ease the pain with a more prolonged but less severe contraction.

Despite Google's **30%** YoY value drop as of Monday, per Entrepreneur, the company's actions show it might be less worried than it says. Google Cloud is set to reverse its hiring freeze next month, and **the tech giant overall continues to expand its workforce, adding more than 10,000 in Q2**.

Room for compromise: Maintaining good optics is a pressing issue for companies like Google, but it won't be easy.

- On one hand, publicly traded companies are under pressure to show investors that they're responding to the macroeconomic conditions in a way that's going to show up positively on balance sheets.
- On the other hand, asking employees to work harder while taking back the perks they've grown accustomed to as top executives take home million-dollar salaries isn't a good look.

- **An industry reckoning might be underway, putting Silicon Valley's resort-like amenities under scrutiny**, but there's still an opportunity for compromise between Big Tech and its workforce.
- Tech giants can ease the pain of "fun" cuts with more flexible remote work policies, which could help cut down on travel expenses and avoid excess real estate spending.
- Because economic conditions ultimately threaten innovation, companies could also invest in employee education as a retention tool that will pay future dividends for productivity.