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Pink Slips Push Many Managers To Rethink Careers ..... 2

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## Pink Slips Push Many Managers To Rethink Careers

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Corporate America is on a mission to thin its management ranks in pursuit of greater efficiency. The purge is pushing workers on all levels to rethink their career paths and the traditional way to better pay and status.

United Parcel Service and Citigroup said they have cut thousands of supervisor jobs since last year. Amazon Chief Executive Andy Jassy is aiming to increase the ratio of workers to managers. Google CEO Sundar Pichai told staff this month that the company had culled managerial roles by 10% in its cost-cutting drive.

In all, U.S. public companies have cut their middle-manager head counts by about 6% since the peak of their pandemic hiring sprees, according to a new analysis of more than 20 million white-collar workers by employment-data provider Live Data Technologies. Senior executives, whose ranks have shrunk nearly 5% since the end of 2021, haven't fared much better.

With fewer higher-level jobs to move up into, aspiring managers are struggling to get promoted and former bosses have shifted to nonsupervisory positions -- sometimes not by choice. Others are moving into new industries to keep a foothold on the management ladder. Companies, meanwhile, are wrestling with how to motivate workers who feel stuck.

Veteran bosses looking for work said the market is flooded with other managers. Among them, James Riggle, 46 years old, said it is tough to get his resume noticed by job applicant-tracking algorithms.

"The recruiters aren't even having conversations with me," said Riggle, who was laid off earlier this year after 15 years at Citi, most of them as a manager in operations such as mortgages, settlement services and foreclosures.

Early on in his job search, he did land an interview, only to learn that the job paid \$40,000 less than what he had earned at Citi. The pay was so far off the mark that he withdrew.

Now, months later, he has spread his search to other sectors and roles and said he would probably take the lower-paying job if it came up again.

"That's money out of my family's pocket," said Riggle, who lives in O'Fallon, Mo.

Managers, and their outsize paychecks, have long been a favorite fall guy after cycles of corporate bloat. This time, companies have collapsed their hierarchies with remarkable speed.

Meta cut multiple tiers last year as it eliminated thousands of jobs and asked some managers to move to nonsupervisory roles. Citi, which announced its restructuring in September 2023, trimmed its management layers to eight from 13 by March.

"That [means] much, much faster decision-making," Citi Chief Financial Officer Mark Mason told investors in the spring.

The trimming has made one of the toughest corporate jobs harder.

Managers oversee nearly three times as many people today as they did in 2017, according to data from research and advisory firm Gartner. About 30% of employees report having bosses who are too stressed to support them at work, according to LinkedIn's latest Workforce Confidence survey.

Some of the biggest cuts have been in human-resources departments, where head counts are down by more than 6% from 2022, the Live Data Technologies analysis shows.

Rachel Kargas, a former talent-acquisition director who lost her job last year after the company she worked for was acquired, has since become a recruiting consultant. She has noticed how the dearth of more senior people in her field has worsened the job-search process for candidates and HR staff alike.

"They don't have the senior leadership to mentor them and train them on how to have difficult conversations when they're rejecting candidates or negotiating compensation, giving feedback," the 50-year-old Kargas said.

Growing use of generative artificial intelligence means some management layers might never come back, said Colyn Montgomery, 37, who left his role at Meta as a product-marketing team leader in 2021 to co-found a marketing-**technology** startup.

**AI** tools could handle routine tasks such as data-sharing and managing workflow, reducing the need for managers. Over time, Montgomery said, **AI** could even change the way people ascend in companies, given that one individual could be as productive as an entire team.

"Right now, you need to become a people manager to progress in your career at a big company," he said.

Gartner predicts that over the next two years, one in five companies will use **AI** to flatten its organization and eliminate half of middle-management roles.

Companies might avoid amassing management bureaucracies again if they charge bosses with leading people, not managing processes, said Kyle C. Murphy, a 54-year-old Los Angeles-based executive who has helped build up several venture-capital and private-equity funded companies.

"They're spending half their time or more going through sales spreadsheets and data and everything else," he said. "If you really want them to make a difference, you'd have them focus on developing and empowering their people to solve problems."

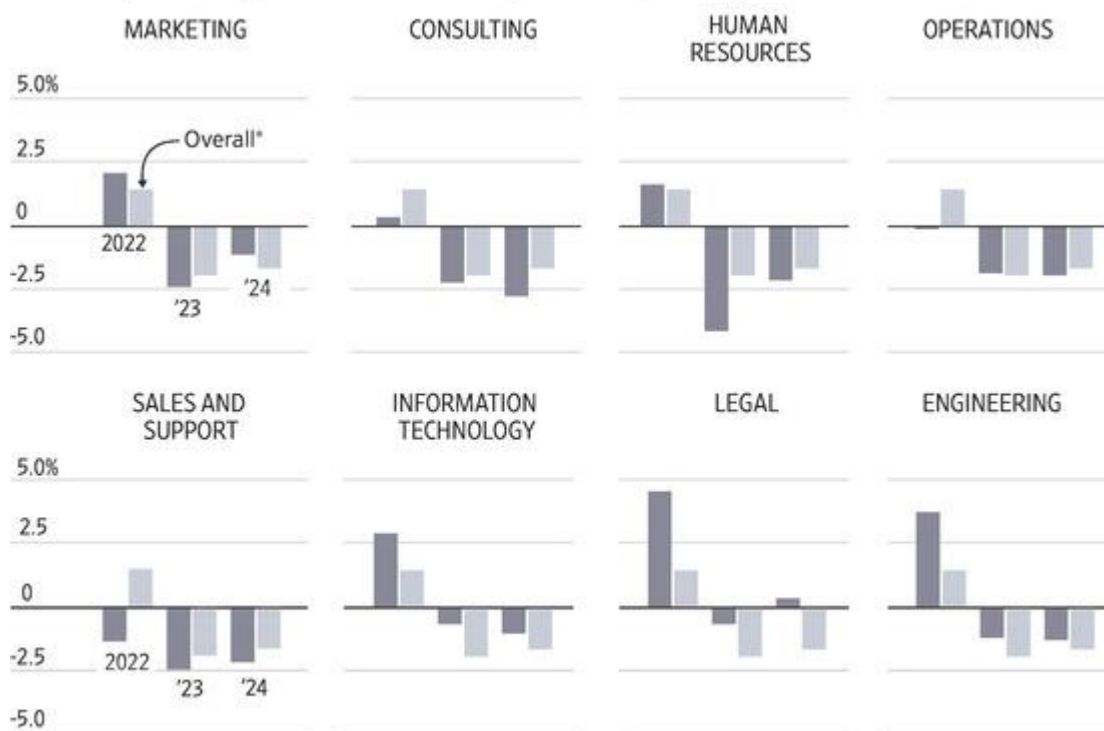
Some former managers are rediscovering the rewards of working as an individual contributor.

After eight years as a software engineering manager at data-services company Pure Storage, Jeff Yun-Nikolac sought out a career coach to help him figure out how to become a director one day. The visualization exercises his coach asked him to do, though, made him realize that it was working directly with the **technology**, writing code, that energized him.

"I was a good manager, but I don't think I ever super-enjoyed the job. It felt like the sort of thing you should do to come up in your career," said the 43-year-old Yun-Nikolac, who decided to shift to an engineering role at Pure Storage two months ago.

His new career track lets him earn the same pay as before, with the potential to advance as a **technology** guru rather than a people manager.

## Year-over-year change in head count at U.S. public companies by function



\*Across all functions

Note: Shows change from previous December for each year; data for 20+ million people who make up more than 80% of the U.S. white-collar workforce at publicly traded U.S. companies.

Source: Live Data Technologies

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## Search Summary

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