

Google boss warns staff to expect further job cuts this year

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Google's chief executive has told employees to expect more job cuts this year after a recent round of layoffs that affected 1,000 staff. Sundar Pichai said in a memo to staff on Wednesday that "some roles may be impacted" as he said divisions within the tech company continued to make changes. Pichai's memo acknowledged a further round of job cuts reported last week, which the Alphabet Workers Union – representing workers within Google and its parent company, Alphabet – said had affected 1,000 workers. "We have ambitious goals and will be investing in our big priorities," he wrote in the memo reported by the tech news website The Verge. "The reality is that to create the capacity for this investment, we have to make tough choices." Pichai said the tough choices so far included job losses in Google divisions including search, advertising sales and its YouTube platform. Artificial intelligence is a major strategic focus for Google, which last year unveiled its rival to OpenAI's ChatGPT, Bard, and a new AI model called Gemini. Referring to 12,000 redundancies across Alphabet in January last year, he said the role eliminations would not reach that level. The company employed 182,000 people as of 30 September last year, according to its most recent quarterly results. "These role eliminations are not at the scale of last year's reductions, and will not touch every team," wrote Pichai. "But I know it's very difficult to see colleagues and teams impacted." Announcing the job cuts last year, Pichai said Alphabet had undergone a hiring spree as tech firms experienced a boom in demand during the Covid-19 pandemic. Admitting the company had overexpanded, he wrote that Alphabet had "hired for a different economic reality" than the one it faced today. Pichai's memo on Wednesday was sent to employees against a backdrop of tech layoffs elsewhere, albeit not at a scale to match 12 months ago when Microsoft, Salesforce, Amazon and Meta made tens of thousands of job cuts as they adjusted to a post-lockdown economic reality. In December, Spotify said it was cutting 17% of its global workforce, while Amazon is laying off hundreds of employees in its Prime Video and studios units as well as about 500 employees at its live-streaming platform, Twitch. According to a website tracking tech industry job losses, layoffs.fyi, the sector has made 7,785 redundancies globally so far this year. By the same period last year, tech firms had laid off far more workers – about 38,000 staff. Pichai said on Wednesday the latest job cuts had focused on "removing layers to simplify execution and drive velocity in some areas" and more role eliminations will take place. "Many of these changes are already announced, though to be upfront, some teams will continue to make specific resource allocation decisions throughout the year where needed, and some roles may be impacted," he added. Christopher Gilchrist, principal analyst at research firm Forrester, said that in times of technological change, as with the emergence of generative AI, companies like Google have recognised that "the needle has moved" and must change in order to stay competitive.

“Over time, the workforce naturally organizes to areas with the highest priority,” he said. Google declined to comment.