

Facebook owner Meta to cut 10,000 jobs in second round of layoffs



Meta is slashing jobs in a bid to recover from losses and invest in the 'metaverse'.

New York, March 15 (RHC)-- Meta Platforms has announced it will slash a further 10,000 jobs in a second round of mass layoffs as the Big Tech industry braces for a deep economic downturn. The Facebook-

parent company said on Tuesday that it will reduce the size of its recruiting team and make further cuts in its tech groups in late April, and then its business groups in late May.

Meta has been engaged in a wider restructuring that will also see the United States-based company scrap hiring plans for 5,000 openings, cancel lower-priority projects and flatten layers of middle management. “This will be tough and there’s no way around that,” CEO Mark Zuckerberg said in a message to staff. “It will mean saying goodbye to talented and passionate colleagues who have been part of our success.” Zuckerberg said he believed “this new economic reality will continue for many years”.

Worries of an economic downturn due to rising interest rates have sparked a series of mass job cuts across corporate America: from Wall Street banks such as Goldman Sachs and Morgan Stanley to Big Tech firms including Amazon and Microsoft.

Meta, which is pouring billions of dollars to build the futuristic metaverse, has struggled with a post-pandemic slump in advertising spending from companies worried about the economic outlook. Early last month, the company posted falling profits and its third consecutive quarter of declining revenue.

In response, Zuckerberg promised to turn 2023 into the “Year of Efficiency”. With the latest move, Meta expects expenses in 2023 to come in between \$86 billion and \$92 billion, lower than the \$89 billion to \$95 billion forecast previously.

The company’s shares jumped 6 percent in early trading on the news of the widely anticipated job cuts. “As I’ve talked about efficiency this year, I’ve said that part of our work will involve removing jobs – and that will be in service of both building a leaner, more technical company and improving our business performance to enable our long-term vision,” said Zuckerberg.

In November, Meta slashed its workforce by 11,000 in the first mass layoffs in its 18-year history. Its headcount stood at 86,482 at the end of 2022, up 20 percent from a year ago. Meta and other tech companies hired aggressively for at least two years but have in recent months begun to let some of those workers go.

The tech industry has laid off nearly 290,000 workers since the start of 2022, with about 40 percent of them coming this year, according to layoff-tracking sites.

This month, Amazon paused construction on its second headquarters in Virginia in the US following the biggest round of layoffs in the company’s history and its shifting plans around remote work. Twitter has also carried out massive job cuts since the social media platform was bought by Elon Musk last year for \$44bn.

The latest cuts of about 200 jobs last month took the company’s headcount down to fewer than 2,000 workers, according to the New York Times. The newspaper found Twitter lost advertisers since Musk took over, with ads responsible for more than 90 percent of the company’s revenue.

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