



Amazon CEO Confirms Layoffs Will Surpass 18,000 After Number Leaked By “One Of Our Teammates”

Description

Amazon CEO Andy Jassy said Wednesday that the company’s recent review will result in the elimination of more than 18,000 jobs, a confirmation came soon after a report earlier in the day in the *Wall Street Journal* cited the total number of employees impacted by staff reductions that began back in November.

“We typically wait to communicate about these outcomes until we can speak with the people who are directly impacted. However, because one of our teammates leaked this information externally, we decided it was better to share this news earlier so you can hear the details directly from me,” Jassy wrote in a company blog post this evening. “We intend on communicating with impacted employees (or where applicable in Europe, with employee representative bodies) starting on January 18.”

Back in November, cuts came across Amazon’s Devices and Books businesses, along with voluntary reduction offers for some in the company’s People, Experience, and Technology (PXT) divisions.

Jassy wrote today that several additional teams will be impacted with the latest cuts this month, with “the majority of role eliminations are in our Amazon Stores and PXT organizations.”

“S-team and I are deeply aware that these role eliminations are difficult for people, and we don’t take these decisions lightly or underestimate how much they might affect the lives of those who are impacted,” he wrote. “We are working to support those who are affected and are providing packages that include a separation payment, transitional health insurance benefits, and external job placement support.”

Read his full blog post below.

The news comes on a day when one investor raised the notion that Amazon founder Jeff Bezos could return to run the company, which along with many in the tech sector had a rough 2022. Bezos, the company’s founder and previous CEO, handed the reins to Jassy in July 2021.

Amazon alone lost 50% of its stock price, the company’s biggest drop since 2000 when the dot-com

bubble burst. The losses resulted in a loss of \$840 billion in market value in just a year's time, along with some \$100 billion from Bezos' personal net worth.

As part of its third-quarter earnings report in October, Amazon gave guidance that its total revenue would rise only 2%-8% in 2023 from last year. Earlier this week, it signaled in an SEC filing that it had obtained a loan of \$8 billion for "general corporate purposes" amid the uncertainty in the marketplace.

Here's Jassy's blog post:

As I shared back in November, as part of our annual planning process for 2023, leaders across the company have been working with their teams and looking at their workforce levels, investments they want to make in the future, and prioritizing what matters most to customers and the long-term health of our businesses. This year's review has been more difficult given the uncertain economy and that we've hired rapidly over the last several years. In November, we communicated the hard decision to eliminate a number of positions across our Devices and Books businesses, and also announced a voluntary reduction offer for some employees in our People, Experience, and Technology (PXT) organization. I also shared that we weren't done with our annual planning process and that I expected there would be more role reductions in early 2023.

Today, I wanted to share the outcome of these further reviews, which is the difficult decision to eliminate additional roles. Between the reductions we made in November and the ones we're sharing today, we plan to eliminate just over 18,000 roles. Several teams are impacted; however, the majority of role eliminations are in our Amazon Stores and PXT organizations.

S-team and I are deeply aware that these role eliminations are difficult for people, and we don't take these decisions lightly or underestimate how much they might affect the lives of those who are impacted. We are working to support those who are affected and are providing packages that include a separation payment, transitional health insurance benefits, and external job placement support.

We typically wait to communicate about these outcomes until we can speak with the people who are directly impacted. However, because one of our teammates leaked this information externally, we decided it was better to share this news earlier so you can hear the details directly from me. We intend on communicating with impacted employees (or where applicable in Europe, with employee representative bodies) starting on January 18.

Amazon has weathered uncertain and difficult economies in the past, and we will continue to do so. These changes will help us pursue our long-term opportunities with a stronger cost structure; however, I'm also optimistic that we'll be inventive, resourceful, and scrappy in this time when we're not hiring expansively and eliminating some roles. Companies that last a long time go through different phases. They're not in heavy people expansion mode every year. We often talk about our leadership principle Invent and Simplify in the context of creating new products and features. There will continue to be plenty of this across all of the businesses we're pursuing. But, we sometimes overlook the importance of the critical invention, problem-solving, and simplification that go into figuring out what matters most to customers (and the business), adjusting where we spend our resources and time, and finding a way to do more for customers at a lower cost (passing on savings to customers in the process). Both of these types of Invent and Simplify really matter.

To those impacted by these reductions, I want you to know how grateful I am for your contributions to

Amazon, and the work you have done on behalf of customers. You have made a meaningful difference in a lot of customers' lives. To those who will continue on the journey with us, I look forward to partnering with you to keep making life better and easier for customers every day and relentlessly inventing to do so.

By Patrick Hipes

Category

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