

Tech layoffs reveal the unintended consequences of mass job cuts

Story by Naomi Nix

For decades, Daelynn Moyer easily secured job offers in the tech industry, working her way up from a computer maintenance technician to a manager leading teams of engineers making software. A college dropout, she was confident tech work was her ticket to job security and she would stay in the industry until she retired.

Now, Moyer, 55, isn't so sure her future remains in tech. Since being laid off from Indeed last year, Moyer has applied to more than 140 jobs but received no offers. She and her wife are considering selling their house near Portland, Oregon, and buying land to farm instead — worried whatever tech job she finds won't cover her mortgage.

“It would be a meager existence, but it would be fulfilling,” Moyer said. “I would no longer feel like a no longer useful commodity.”

For years, people like Moyer flocked to Silicon Valley companies, lured by generous pay, benefits and the promise of tackling interesting problems at cutting-edge ventures. Companies showered employees with perks, from free meals and dry cleaning to niche wellness services. The seemingly unstoppable success of major internet platforms like Meta, Google and Amazon made it seem that the industry was immune from the cyclic cutbacks that plague other sectors.

Moyer cleans her gun in her home in Portland on Jan. 6. She enjoys going to the shooting range in her free time. © Will Matsuda for The Washington Post

But since the tech industry slashed hundreds of thousands of jobs in mass layoffs spanning 2022 and 2023, the sector has shifted to routine cutbacks. On Monday, Meta is scheduled to slash roughly 5 percent of its 74,067-member workforce, an effort to push out “low-performers.”

In a companywide town hall meeting late last month, Meta CEO Mark Zuckerberg defended the cuts, arguing the system would give remaining employees better

colleagues, according to a recording of the event obtained by The Washington Post.

“I think this makes the company better. I’m not going to be apologetic for it,” he said. “And I think most people here want to work with people who are going to be better fits.”

The shift previews what may happen to the federal government as Elon Musk, who dramatically slashed X’s workforce in 2022, attempts to apply similar cost-cutting strategies to remake the public sector.

Inside Silicon Valley, many employees say the job cuts have severed trust between rank-and-file tech workers and their company leaders. Some employees are reevaluating how much time and energy they invest in their jobs, while others seek new skills — such as working with artificial intelligence — to stay competitive in a tough job market. And many are paying close attention to the financial performance of the companies they are considering working for before accepting a job.

“There has been just this erosion of job security and trust, particularly with the large companies that announced widespread layoffs along with growing profit margins or increased stock prices,” said Patrick McAdams, CEO of the tech recruiting firm Andiamo.

Microsoft, Apple, Alphabet, Amazon and Meta stock market information displayed at the Nasdaq MarketSite in New York, on Jan. 27. © Bloomberg/Getty Images

White-collar sectors including the tech industry have shed tens of thousands of jobs since last January. Data released Friday by the U.S. Labor Department showed the professional business services and information sectors — which include tech and other office jobs — shrinking by around 9,000 positions in January, as higher interest rates continue to discourage employers from hiring

In recent months, major companies such as Meta, Workday and Amazon and have announced layoffs. In November, Google cut about a dozen members of its team that handles legal discovery requests, according to a person familiar with the matter, who spoke on the condition of anonymity. In June, it laid off about 10 members of the group that handles government requests for Google users’ private

data. Regarding the legal team layoffs, Google spokesperson José Castañeda said the changes to the team were made to allow it work more efficiently and that some roles were added as well.

While mass layoffs in major tech companies have been historically rare, research shows the decision to repeatedly slash jobs may lead to lasting psychological and financial consequences for workers and their employers. Studies show layoffs decrease trust between employees and companies, often leading to lower engagement from remaining employees, higher voluntary turnover and less innovation.

There is “additional stress that comes with trying to do something new that’s risky,” said Sandra Sucher, a professor of management practice at Harvard Business School. When you “give people a sense that somehow they’re not safe anymore, it’s very hard to take the risk to try to persuade people to do stuff that you think they’re going to disagree with.”

This uncertainty is a new experience for many in tech. When Jean landed her dream job at one of the biggest technology companies in the world a few months ago, she didn’t feel as happy as her friends cheering her success seemed to expect who were congratulating her at the time. Having faced two layoffs in less than a year, Jean, whom The Post is only identifying by first name to avoid losing her new job, wondered how long her position would last.

Google posters peel off walls at the end of the Google I/O annual developer conference at the Shoreline Amphitheater in Mountain View, California, in May 2023. © Melina Mara/The Washington Post

“I was more like, ‘Do I really belong here? What if I get laid off again?’” she said. “I’m not that happy about [it] because I don’t know whether I will lose it or not.”

Since then, she has continued her networking in the tech industry in hopes of generating more contacts in case she experiences another layoff.

Sean Johnson, an engineer for 15 years, says tech companies appear to be giving out more negative performance reviews and introducing stronger policies against remote work, which he sees as a covert way to cut jobs. As a remote worker based in North Carolina, Johnson thinks his job is more likely to be at risk — an insecurity that hasn’t prompted him to think about how to stay competitive in the market.

“I’m still bullish on tech,” he said. “If I end up with a significant period of time between jobs, I do plan on re-skilling myself into machine learning and AI because that’s just what’s really popular right now.”

Mass layoffs can also have an impact on the remaining employees who are frustrated about having to take on the responsibilities that the departed workers left behind.

“What happens is that the output that you get is less than you would have gotten otherwise,” Sucher said.

Eliot Lee, 52, a project manager at an Utah software company, said after losing his job several times, he has adjusted the way he looks for new work. Recruiters told him they would often receive more than 1,000 applications for a single position. To rise above the influx, he would stay up late to be the first person to apply.

When Lee considers a new job opportunity, he spends more time reading employee reviews, talking to current and past employees about their experiences and looking at the company’s economic stability.

“I don’t trust employers anymore,” Lee said. “I was under the mindset previously, ‘Oh, this is my family. This is my professional home.’ I no longer have those thoughts.”

Gerrit De Vynck and Lauren Kaori Gurley contributed to this report.