ALL FACEBOOK EMPLOYEES ARE QUITTING BECAUSE THE COMPANY IS A SHAMEFUL PLACE TO WORK

Facebook employees are calling former colleagues to look for jobs outside the company and asking about the best way to leave

- Six former Facebook employees who left the company within the last two years told CNBC they've experienced a rise in contact from current company employees to inquire about opportunities or ask for job references.
- The shift in behavior comes as Facebook deals with scandal after scandal while seeing a nearly 40 percent drop in its stock price from a peak in July.

Salvador Rodriguez | @sal19

Published 3 Hours Ago Updated 1 Hour Ago CNBC.com

Mark Zuckerberg, chief executive officer of Facebook Inc.

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Some former <u>Facebook</u> employees say their phone is ringing a lot more in the last two months. On the other line: former Facebook colleagues asking about job openings or looking for a reference.

This type of behavior is normal at most companies. But according to a half dozen former employees, all of whom left in

the last year or two, it's a major change in behavior at Facebook, which had long been known around Silicon Valley as the company that no one leaves. These people requested anonymity as none is authorized by Facebook to talk about their time there or interactions with employees.

The shift could be an early warning of recruiting and retention challenges for Facebook after <u>a turbulent year</u>. In 2018, the company has faced public questioning at multiple congressional hearings, scandals around third-party abuse of <u>user data</u> and <u>public relations practices</u> and <u>flat or declining user growth</u> in key markets. It's also seen its stock drop nearly 40 percent from July.

The stories from former employees are only anecdotal at this point, and there's no firm data showing a significant uptick in departures or employee dissatisfaction. On <u>Glassdoor</u>, a site where workers anonymously review their employers, Facebook is among the best-rated tech companies, with a satisfaction rating of 4.3 out of 5. However, that rating has fallen noticeably during the last year, with a particularly sharp drop in the last few months.



Even if Facebook employees are starting to consider other options, that's not uncommon as hot tech companies mature. Around 2010, <u>Google</u> saw a wave of engineers and executives <u>leave for greener pastures</u>, including Facebook. <u>Microsoft</u> faced a similar exodus in the early 2000s, captured most saliently by the anonymous employee blog <u>Mini-Microsoft</u>.

"Our retention rate continues to be very strong," said Anthony Harrison, a Facebook spokesman. "Everyone at Facebook is focused on making a positive impact in the world, and on working on hard challenges that matter."

But several former employees who spoke to CNBC believe that the wave of scandals and falling stock price are spurring more people to consider leaving for the first time.

"There's new things coming out every day," said one former company executive. "It's a quite somber atmosphere right now at the company."

'They're just burnt'

Employees have a tradition of posting photos of their badges on secret Facebook groups for alumni of the company when they quit, another former Facebook manager said.

"I've been seeing a lot of badges lately," he said. This manager also said he'd heard recently from a couple of current Facebook employees, including one individual who has been with the company for more than seven years but expressed that he has finally burned out.

"A lot of people want to do something different," he said. "They're just burnt."

A former Facebook recruiter said he has heard from more than 30 current employees in the past year, including approximately 15 in the past two months. Most of these employees say "'My manager sucks, and I need to look for something new. Do you know of any new opportunities?" the recruiter said.

"They're coming to ask 'What are you seeing in the market across Silicon Valley?" the recruiter said.

Some former employees cited a broader change in the culture as well. In the past year, the company has grown from nearly 23,200 employees in September 2017 to more than 33,600 employees a year later, according to the company's latest financial filings.

With that growth has come increased bureaucracy and an increase in a top-down management style, one former Facebook manager said. Whereas previously Facebook had a start-up environment where colleagues felt everyone had each other's backs, there is now more politics and more grandstanding, another former manager said.

"There's a lot of people who succeed more by how things looked than by the work they were doing, and there were people who were let go that were incredibly well-respected and it was because they weren't playing the politics game," one of the former managers said.

One former Facebook engineer said he has been contacted by about a dozen Facebook employees since leaving the company this summer, saying they were thinking about leaving the company or inquiring what his experience has been like since his own departure. Just before speaking with CNBC, another Facebook employee called him to ask for advice on clearance for setting up a start-up while remaining at Facebook, this person said.

"Overall, I've seen an uptick in people either looking for other activities or dipping their toes outside the Facebook pool," he said.

In the past, Facebook employees who had been with the company for only a year or two but were unhappy with their roles were likely to request a team switch. Now, employees in that situation are simply looking to leave the company, the former engineer said.

"This time around far more people are immediately jumping instead of switching teams," the former Facebook engineer said.

Leaving the right way is important

Many of the employees calling former colleagues also ask for advice on the best way to leave Facebook, according to multiple former employees. This is because the company categorizes departing employees under one of two tags: "regrettable" or "non-regrettable" attrition.

Being labeled as "non-regrettable" is the equivalent of getting blacklisted by Facebook and prevented from ever working there again. For anyone in Silicon Valley who wishes to work at a top company, getting a banned by Facebook cuts down job opportunities drastically.

"The way you do it and the timing matters a lot, and it requires knowledge of the game," the former Facebook engineer said.

"Once someone got one of these things ... it's like Voldemort," one of the former Facebook managers said. "It's a name you can not say."

Another former Facebook director said he has seen a rise in the number of his ex-colleagues who have reached out to ask about openings at his current company, and these employees often ask about advice on the best way to leave Facebook. He's also experienced an increase in calls from other companies that are running references on current Facebook staffers.

"Once it becomes weird to tell people that they work at Facebook, or once their moms aren't proud of them anymore, that's when people are going to head to the exits," he said. "I think we're already getting there."

Previously, Facebook's attrition rate was less than 5 percent, estimated one of the former Facebook managers, who left the company earlier this year. This person believes that attrition rate has risen this year.

"Nobody really left Facebook. There were not many places you could leave that were better jobs," the former manager said.
"Now? I think it's normalized. People now don't look at Facebook as a dream job anymore. They're open to leaving, and they can envision places that are better."

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