

Dell announces mass layoffs amid expanding global tech job cuts

Kevin Reed
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Dell Technologies Inc., the global manufacturer of personal computers and other computer hardware, is laying off thousands of employees as part of a reorganization of its sales teams, according to news reports on Monday.

Bloomberg reported that two sales executives sent an internal memo to Dell employees that said, “We are getting leaner. We’re streamlining layers of management and reprioritizing where we invest.”

The Bloomberg report added that the executives Bill Scannell and John Byrne told the staff the company is creating a new group focused on artificial intelligence products and services and that Dell will change how data center sales are approached.

Although the number of employees being laid off was not disclosed, Bloomberg pointed out that the Texas-based hardware tech company has “enjoyed a renaissance of investor interest over the past year due to its high-powered servers that can run AI workloads.”

The online publication SiliconAngle reported that an unnamed source familiar with the Dell layoffs said that 12,500 employees, approximately 10 percent of the staff, were being terminated beginning on Tuesday. This number could not be confirmed and, according to theCUBE Research Chief Analyst Dave Vellante, “It’s unlikely the number is that high because that would typically trigger an SEC filing.”

In an email to SiliconAngle, a Dell representative wrote, “Through a reorganization of our go-to-market teams and an ongoing series of actions, we are becoming a leaner company. ... We continually evolve our business so we’re set up to deliver the best innovation, value and service to our customers and partners.”

The new round of layoffs at Dell are a continuation of job cuts at the company that began in 2023. The \$80

billion corporation based in Round Rock, Texas, laid off a total of 13,000 last year, with 6,000 jobs eliminated in February 2023 and another round in August, the numbers of which the company did not specify.

Former Dell employee Ian Armstrong, who had worked on the company’s user experience (UX) design team for eight years, referred to the layoffs as a “bloodbath” in a post on LinkedIn, saying that Dell has now laid off 24,500 staff in the past 15 months.

The Bloomberg report on Monday gave a glimpse of what is behind the layoffs, saying that investors are uneasy, “about how long it may take companies to see a payoff from AI investments, which often come in the form of expensive servers or graphics processing units.”

Dell disappointed investors with its most recent quarterly financial reporting and the company’s shares plunged almost 18 percent on May 31, the day after the results were released. SiliconAngle reported that “analysts raised concerns about the impact of rising demand for artificial intelligence servers on the company’s overall profitability,” and that “Dell officials said they expected the company’s gross margin to fall by roughly 150 basis points in fiscal 2025 as a result of the increased mix of AI servers, inflationary input costs and a more competitive environment.”

The Dell layoffs are part of the ongoing destruction of jobs in the tech industry over the past three years. Intel, the maker of computer microchips and processors based in Santa Clara, California, announced on August 1 that it is laying off 15 percent of its workforce. The company said it was cutting \$10 billion in costs as part of a plan for 2025 that could mean as many as 19,000 jobs being eliminated.

The tech corporation, which was founded in 1968 by the pioneers of the integrated circuit, Gordon Moore and Robert Noyce, lost \$1.6 billion in the second quarter of 2024 as it has failed to connect with the trends in AI.

In all, more than 124,000 jobs have been eliminated by 384 companies so far in 2024, according to the Indian publication, *Business Standard*. This includes the following layoffs: Microsoft (1,000 jobs), UKG (2,200 jobs), Intuit (1,800 jobs), Dyson (1,000 jobs) and hundreds of companies large and small with job cuts in the 50 to 250 range.

According to data maintained by *Computerworld*, there were 164,969 tech layoffs in 2022 and 262,682 in 2023.



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