

Uber cuts 3,700 jobs amid pandemic slump

May 6 2020



Uber is cutting 14 percent of its workforce as part of its response to the pandemic-induced economic slump

Uber said Wednesday it was cutting 3,700 jobs amid a huge slump in its ride-hailing operations during the pandemic.

The cuts amount to around 14 percent of Uber's global workforce, which

does not include its contract drivers.

The company made the announcement in a regulatory filing, which also said chief executive Dara Khosrowshahi would waive his base salary for the remainder of the year.

The move comes a day ahead of Uber's earnings report, and follows a 17 percent staff cut by its US rival Lyft.

"Today's cost cutting move ahead of tomorrow's earnings is a painful, but unfortunately a necessary, move for Dara & co. to make in this unprecedented COVID-19 environment," said Daniel Ives at Wedbush Securities.

"On the other side of this dark valley, the Uber business model will likely look a lot different for the next few years (at least) and the company must rationalize costs and a smaller operation to focus on attaining profitability in this 'new normal' backdrop."

© 2020 AFP

Citation: Uber cuts 3,700 jobs amid pandemic slump (2020, May 6) retrieved 7 May 2024 from <https://techxplore.com/news/2020-05-uber-workers-ceo-waive-salary.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--