

# T-Mobile to lay off 7% of workforce

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Bellevue, Washington-based T-Mobile announced Thursday it plans to shed 5,000 roles, or nearly 7% of its workforce. The company will inform all laid-off employees by the end of September.

The roles that will be cut are mostly corporate, back-office and some tech, said T-Mobile CEO Mike Sievert. Retail and customer-care employees will not be affected.

The layoffs are a "large change, and an unusual one for our company," he said in an email to employees.

The costs of attracting and retaining customers are higher than in previous quarters, Sievert said. T-Mobile's actions to accelerate its business are "not enough to deliver on these changing customer expectations going forward," he said.

The impacted roles are duplicative to other roles, Sievert said, "or may be aligned to systems or processes that are changing, or may not fit with our current company policies."

T-Mobile declined to say how many of the cuts, if any, would affect Washington-based employees.

The company has a total of 71,000 employees, which include network, retail, administrative and customer support functions, according to its most recent annual earnings report released in February. The filing does not specify the number of employees by region or office.

The [telecom giant](#) is one of the biggest employers in Bellevue, employing 5,300 people, according to the city of Bellevue Community Development Department.

Laid-off employees will receive severance packages based on tenure, 60 days' minimum of transition leave, accelerated vesting of their next stock vest, continued tuition reimbursement, career transition services and a T-Mobile service discount for life.

Sievert added that employees leaving in good standing might be recruited and hired again in the future as the company builds out other areas.

T-Mobile's last known layoffs were nearly a year ago on Aug. 31, 2022. The company confirmed the layoffs at the time, first posted anonymously by employees online, but did not specify how many were affected. The roles cut were in networking and engineering. Despite last year's layoffs, earlier this year T-Mobile announced it was raising stock awards for employees.

The telecom giant bills itself as the fastest-growing internet provider in the U.S. It acquired Ryan Reynolds-owned Mint Mobile for \$1.35 billion in March and merged with Sprint for \$26.5 billion in 2020.

In its latest quarterly earnings released July 27, T-Mobile's revenues of \$19.2 billion were down 2.5% compared to the same period last year. But the company surpassed analysts' expectations for customer additions, its best second-quarter results in eight years. The company's 2023 guidance for postpaid net customer adds also increased.

The layoffs come at a time when the company is successful, Sievert said, but those successes aren't enough to stay ahead of competitors when facing changing customer demands.

"In a company as successful as ours, the time to challenge the status quo and write the next chapter is while we are still successful," Sievert said.

T-Mobile's competitor AT&T in July increased its annual cost-cutting target by \$2 billion after hitting its initial target of \$6 billion. Dallas-based AT&T said earlier this year that customers and businesses are spending less amid inflation.

Sievert added in the memo that he does not see "widespread company reductions" in the foreseeable future.

T-Mobile stock decreased 2.2% Thursday.

T-Mobile joins other large Washington employers, including Amazon, DocuSign, Google, Meta, Microsoft and Boeing, in announcing layoffs this year due to worries about inflation and a slowing economy.

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