

Yahoo plans first major layoffs under new CEO

April 15 2009, By MICHAEL LIEDTKE , AP Technology Writer

(AP) -- Yahoo Inc. is gearing up for its third round of mass layoffs in 14 months, signaling the long-slumping Internet company is still struggling to snap out of its financial malaise under a new leadership team.

The cuts will likely affect several hundred employees, a person familiar with the plan said late Tuesday, confirming a report first published on The New York Times' Web site.

The person asked to remain anonymous because [Yahoo](#) isn't publicly discussing anything that might affect its stock price until the April 21 release of the Sunnyvale, Calif.-based company's first-quarter earnings report.

Most analysts expect those results to be lackluster, extending a pattern of disappointing profits that began in 2006.

Yahoo hired technology veteran [Carol Bartz](#) as its chief executive in January to steer a turnaround. The blunt-talking Bartz has spent much of her tenure trying to understand Yahoo's strengths and weaknesses while promising to throw out the dead wood. She already has reorganized Yahoo's management team.

Bartz's predecessor, Yahoo co-founder Jerry Yang, also tried to shake things up by laying off about 1,000 workers in February 2008 only to expand the payroll again in the next few months. Just before Bartz's hiring, Yahoo eliminated more than 1,500 jobs to enter 2009 with

13,600 workers.

When they made the last cuts, Yahoo executives warned more [layoffs](#) could be coming if the recession worsened - an unwelcome turn that occurred during the first three months of the year.

The deepening downturn has caused more advertisers to trim their spending, a trend that has hurt all companies like Yahoo that depend on advertising for most of their revenue. The retrenchment has been a bigger problem for more traditional media, particularly newspapers, but it's also forcing Internet companies to tighten their belts.

Even [Internet search](#) leader [Google](#) Inc., which generates three times more revenue than Yahoo, decided to lay off about 340 workers and curb other expenses during the first quarter to bolster its profits during the tough times.

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