

Zoom to retrench 1,300 employees, CEO reduces salary by 98%

Zoom Video Communications is retrenching around 1,300 of its employees, which accounts for 15% of the software company's workforce. This is according to Zoom CEO, Eric Yuan, who announced the news in a blog post.



Source: [Unsplash](#)

Yuan said he's accountable for the mistakes that led to the job cuts and that he will be taking a pay cut of 98%. He wrote: "As the CEO and founder of Zoom, I am accountable for these mistakes and the actions we take today – and I want to show accountability not just in words but in my own actions. To that end, I am reducing my salary for the coming fiscal year by 98% and foregoing my FY23 corporate bonus."

Members of Yuan's executive leadership team will also reduce their base salaries by 20% for the coming fiscal year while also forfeiting their FY23 corporate bonuses.

Why the job cuts?

Yuan explained that the Covid-19 pandemic required the company to upscale its workforce by three times to support the quick rise of users on its platform and that the company did not take enough time to analyse the growth sustainably as the pandemic slowed down.

"As the world transitions to life post-pandemic, we are seeing that people and businesses continue to rely on Zoom. But the uncertainty of the global economy, and its effect on our customers, means we need to take a hard – yet important – look inward to reset ourselves so we can weather the economic environment, deliver for our customers and achieve Zoom's long-term vision," he said.

Zoom's future

On what the future may hold for Zoom, Yuan wrote: "While we have to take these steps today, we will continue to invest in key strategic areas to help us reach our vision. My commitment to you is that we will make sure the changes we are making to our team today are not made in vain. We will learn from the past to set ourselves up for future success and redouble our efforts to help evolve Zoom to tomorrow."

According to Yuan, departing full-time Zoom employees in the US will be offered the following support:

- Up to 16 weeks' salary and healthcare coverage
- Payment of your earned FY'23 annual bonus based on company performance
- RSU and stock option vesting for six months for US employees and through 9 August 2023 for non-US employees
- Outplacement services that include 1:1 coaching, workshops, networking groups, and more
- Support for Zoomies outside the U.S. will be similar and will take into account local laws

For more, visit: <https://www.bizcommunity.com>