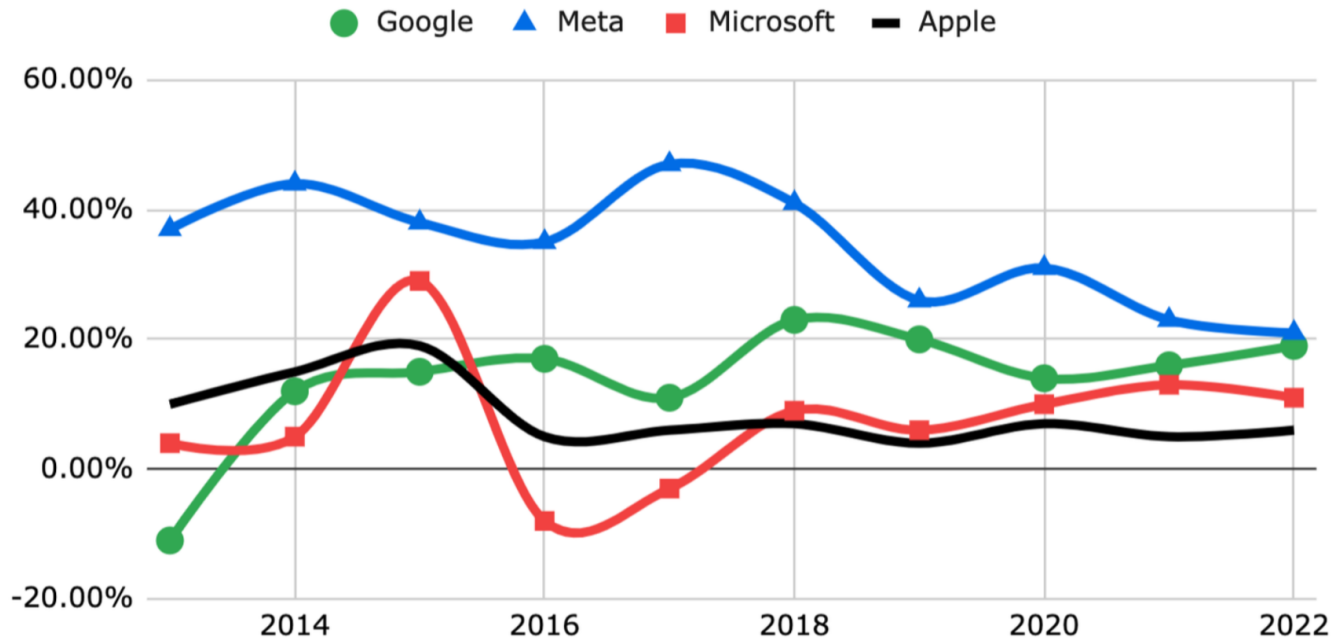


Headcount growth of Big Tech companies



by **Gergely Orosz**

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Apple: The Only Big Tech Giant Going Against the Job Cuts Tide

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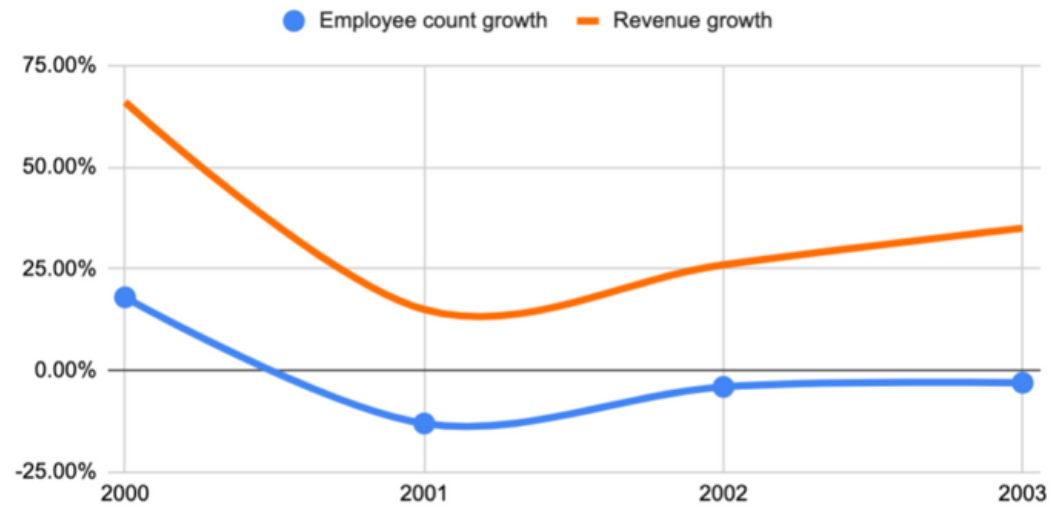
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👋 Hi, this is [Gergely](#) with a bonus, free issue of the Pragmatic Engineer Newsletter. We cover one out of seven topics in today's subscriber-only article going deep in analyzing [Google's historic job cuts](#). If you're not yet a full subscriber, you missed the issue [on Code deployment freezes](#) this week. To get full issues twice a week, [subscribe here](#).

Over the past months, all major tech companies have announced layoffs. However, there's one exception, which also happens to be the world's most valuable company by market cap: Apple.

Apple has not laid off employees during any of the last two tech recessions, and has resisted doing so, even now. In 2001, when the Dotcom Bust hit, Amazon's revenue declined by 13% and it responded by reducing headcount by 13%. In the next two years, Amazon still reduced its headcount:

Amazon: 2000-2003

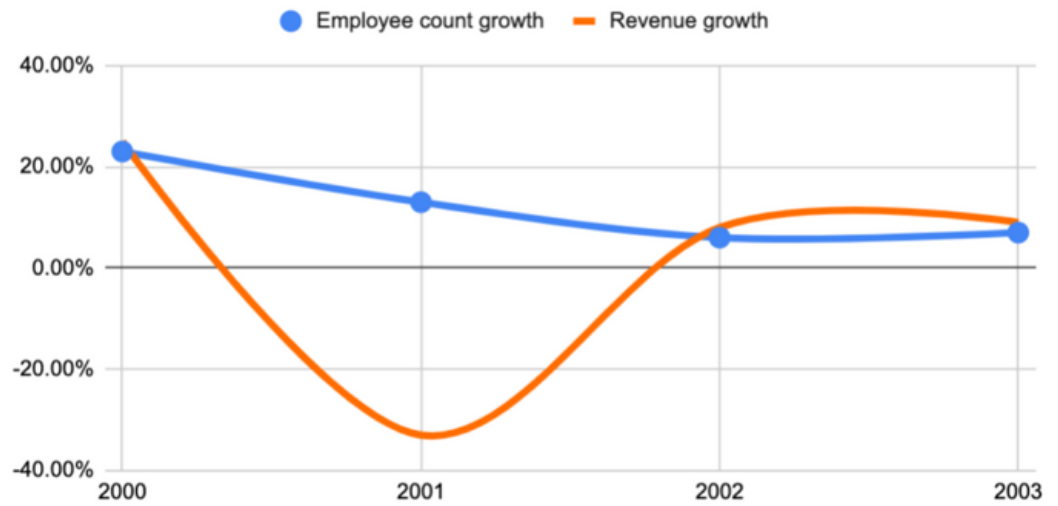


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In 2001, during the Dotcom Bust, Amazon's revenue growth slowed sharply. Amazon responded by letting staff go. For the next two years, it slightly reduced headcount, until year-on-year revenue growth was back above 30% in 2004

Apple, however, did not respond in the same way to the Dotcom Bust. Despite a major revenue drop, the company kept hiring:

Apple: 2000-2003



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In 2001, Apple's revenue declined by 33%. The company did not lay off, but did slow its hiring pace in the following years, until revenue growth caught up

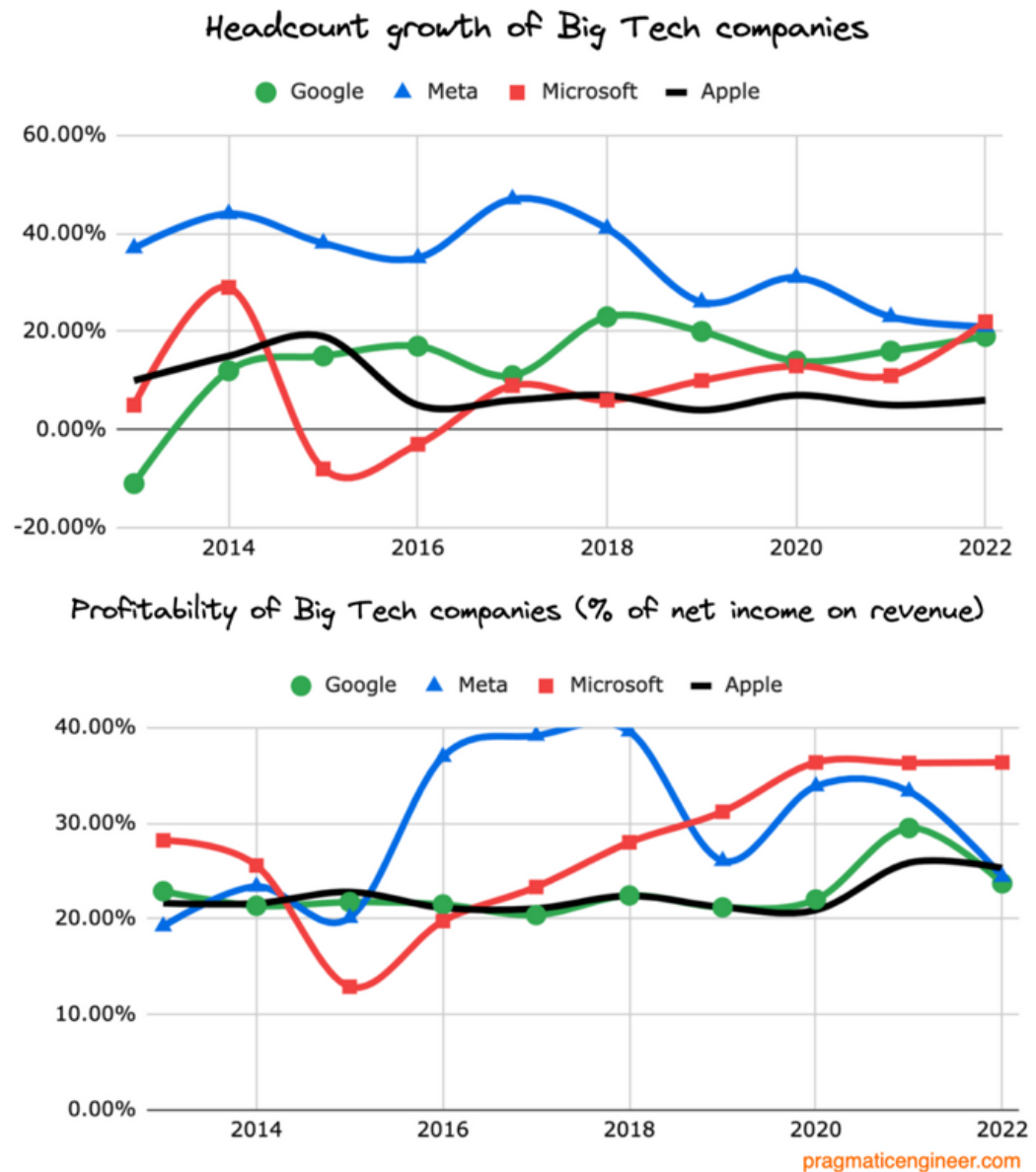
In 2009, Microsoft saw a dramatic growth slowdown from 17% revenue growth in 2008 to 3% revenue contraction in 2009. Microsoft let go about 6% of staff – 5,000 people. Similarly, in 2009, Apple's revenue growth slowed to 15% from 56% the previous year. Apple slowed hiring, but executed no cuts.

And Apple has also resisted layoffs when its revenue growth turned negative, in recent times. In 2016, the tech giant posted an 8% decline in revenue, but still did no layoffs.

Looking back on the past 20 years, it's remarkable that Apple has been the only major tech company to not execute mass layoffs, regardless of how its revenue or profits changed. The last time Apple made significant job cuts was when Steve Jobs returned to the company as CEO in 1997 and [cut 4,100 jobs](#) from the about 14,000 employees the company had at the time.

The company resisted growing quickly when all other Big Tech companies started to hire faster.

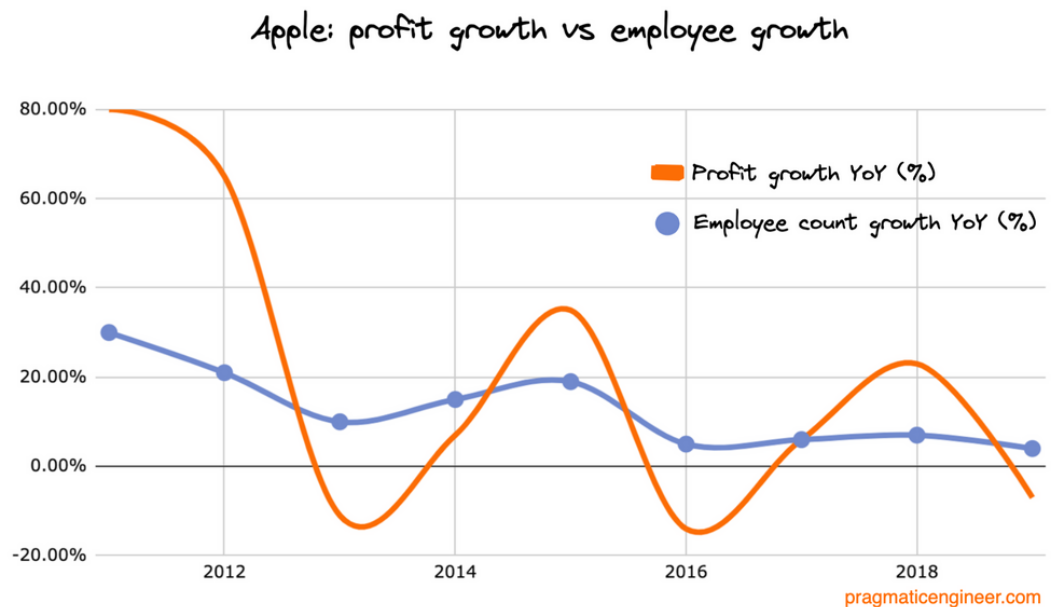
Another interesting insight comes from looking at how quickly tech companies have been hiring over the past few years. I crunched the numbers to see how rapidly each business expanded and found that Apple has been the Big Tech that resisted growth the most. Here's the comparison of headcount growth of Google, Meta, Microsoft and Apple, and how their profitability changed over the same time period:



Headcount growth year-on-year and the change in annual profitability across Big Tech. Apple has had the lowest headcount growth across the group of companies since 2018.

In [analyzing why Google did its historic job cuts](#) I previously pointed to the connection that both Microsoft and Google laid people off after employee headcount growth raced ahead of revenue growth.

Let's take a look at what's happened at Apple since 2011, when Tim Cook became the CEO of the company:



Apple's profit increases/decreases and employee growth since 2011, when Tim Cook took over the CEO role.

Apple has been remarkably stable in growing its headcount at a constant rate, irrespective of profit fluctuation. Even more interestingly, the company did not grow headcount in 2020-2022 as fast as most of the rest of Big Tech did.

I asked a long-time, current, Apple software engineer what they thought about Apple's strategy of not speeding up recruitment from 2020 onwards. This person said that they feel almost all teams at

Apple are understaffed and have had to learn to do more with fewer people. This software engineer also shared that when the market was very heated in 2021 and “the great resignation” was in full force, Apple did not cave into the higher offers, nor match the high offers other Big Tech companies were making.

Although it is not visible in the chart above, in 2020–2021 Apple seems to have done a lot more hiring than in “normal” years, because it was backfilling for higher-than-normal attrition, as more people jumped ship to other companies for better compensation. Also, I’m told that in 2021 some teams struggled to fill allocated headcount. What felt painful in 2020–21: not matching Big Tech offers, not increasing the pace of hiring, now looks like a wise move in the current circumstances. *I analyzed the very hot 2021 job market in-depth at the time in the deep-dive [The perfect storm causing an insane tech hiring market](#).*

In a small scoop: at least a couple of positions Apple was hiring for were closed on Friday, 20 January. I talked with a software engineer who was on the fourth round of a five-round interview process (recruiter screen; two technical interviews;

a systems design interview; hiring manager). This engineer was scheduled to have their systems design interview when their recruiter said that the position had been closed.

I asked around at Apple and didn't find evidence that this closing of positions was widespread. Several teams are still hiring. As with everything at Apple, engineers and managers have little visibility beyond their immediate teams, so it's hard to draw wider conclusions from a few data points.

Although it's hard to predict the future, everything I've learned about Apple suggests that there seems to be little risk in the company deciding on widespread cuts. This is both because of its history of not doing layoffs even when revenue contracted, and also because Apple didn't fall into the trap of over-hiring during the past few years.

This was one out of the five seven topics in today's full article on [Google's historic job cuts](#). The full edition additionally covers:

1. **Google's sudden and unexpected cuts.** In an email sent out at 2am Pacific time, the company terminated 6% of its workforce. "Surprised"

doesn't sum up how lots of people processed the news.

2. **Earlier warning signs.** Looking back, there were indicators that cuts could happen, even if they were hard to notice.
3. **Why did the layoffs really happen?** Google will close the year with more than \$66B of profit, it's the second-best year ever. Why make cuts on the back of another very successful year? We do a thorough comparison with Microsoft's reduction in its workforce. There are just too many similarities between the two companies.
4. **Areas impacted, areas safe, and severance payments.** The cuts were not evenly distributed and some groups were hit harder than others. I've talked with Googlers to find out which groups were which.
5. **Google's "rest and vest" perception shattered?** For close to a decade, Google was known as a place with great work-life-balance, great compensation, and great job stability. How will this perception change?
6. **The big picture.** It's not all gloom and doom: Big Tech has grown very much in 2022, even when taking the cuts into account. And some areas look to be safer from future reductions

than others.

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