

Dell to slash over 6,000 jobs amid slump in demand for PCs

Computer company [Dell](#) is to slash thousands of [jobs](#) as it wrestles with a downturn in demand for PCs.

The Austin, [Texas](#)-based business is planning to reduce its workforce by 5%, according to reports by Bloomberg, representing a cut of over 6,500 [jobs](#). The action makes [Dell](#) the latest IT business to shrink its workforce in 2023 following a spate of similar moves by Microsoft, Google and Salesforce in January.

In a note to employees, Dell Co-Chief Operating Officer Jeff Clarke said that previous cost-cutting measures like pausing hiring and limiting travel expenses were no longer enough, and the firm made the move because market conditions “continue to erode with an uncertain future.”

“We’ve navigated economic downturns before and we’ve emerged stronger,” he said. “We will be ready when the market rebounds.”

Dell posted a 6% decline in revenues to \$24.7 billion (£20.5 billion) in the three months to the end of October 2022, and said it expected sales to be lower still in the following quarter.

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CF0 Tom Sweet told investors: "With what we know today, it's likely next year's revenue is below historical sequentials," adding slowing economic growth, inflation, rising interest rates and currency pressures would weigh on consumer demand in 2023.

Dell has 2,220 staff in the UK, according to its most recent filing with Companies House. That would mean around 110 job cuts in the UK if the workforce were slashed by 5%. A Dell spokesperson was unable to confirm the scale of the impact to UK employees.

The spokesperson said: "We continuously evaluate operations to ensure the right structure is in place to provide the best value and support to partners and customers. This is part of our regular course of business."

More than half of Dell's revenues come from sales of personal computers, but the firm saw a 37% slump in shipments at the tail end of last year, according to data from industry analyst IDC. The company's share price has dropped 28% over the past 12 months.

There have been over 88,000 tech layoffs worldwide in the first few weeks of 2023, according to tracking site layoffs.fyi, more than half the roughly 160,000 employees let go in the whole of 2022, as US-based industry giants u-turned on the rapid hiring spree they embarked on during the height of the coronavirus pandemic.

Mike Morini, CEO of WorkForce Software, said: "With recession worries and growth capital shutting down, organisations are no longer placing big bets on unproven futures. Now, with capital availability highly restricted, the tech industry is seeing

increased scrutiny on experimental growth initiatives.

“Many tech firms are returning to unit economics that prioritise profitability over growth. To deliver against this pivot, organisations have had to take actions that include staff layoffs.”