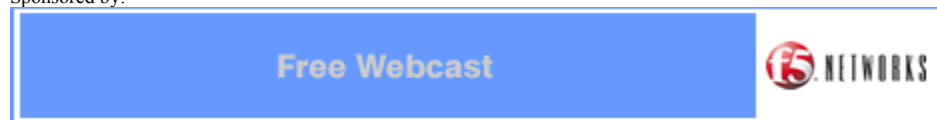


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Telecom job cuts decrease

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By [Amy Schurr](#)

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Times are getting better for telecom, according to research from outplacement firm Challenger, Gray & Christmas. Overall job cuts announced by high-tech firms in the first quarter of 2003 dropped 45% from the same period last year. High-tech lost 61,032 jobs last quarter, as compared to 110,247 in the first quarter of 2002.

The decline, however, was solely due to fewer losses in telecom. Telecom employers announced just 15,862 job cuts so far in 2003, down 81% percent from the 82,522 announced in the first quarter of 2002. The bad news is that job cuts actually increased other segments of high-tech, including electronics, computers and e-commerce.

Stabilization could finally be on the horizon. Challenger research shows that tech job cuts represented 17% of the 355,795 cuts announced by all industries last quarter. The industry took a much harder hit in the previous two years, with technology accounting for 33% of all job cuts in 2002 and 36% in 2001.

“With many of the weakest telecommunications companies now out of business or swallowed up by stronger firms, we could see a stabilization in terms of job cutting in this industry,” Challenger, Gray & Christmas CEO John Challenger says. He adds that 2002 and 2001 saw a major telecom industry shakeout resulting from flawed business strategies, overcapacity and miscalculations about the number of competitors a market could support.

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Amy Schurr is an editor for Network World's Management Strategies and Features sections. If you have any career topics you'd like her to cover or want to comment on this newsletter, you can reach her at aschurr@nww.com.

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