

Globethics Repository

The logo for Globethics, featuring the word "Globethics" in white, sans-serif font centered within a solid blue rectangular background.

Two responses to the collapse of the dotcom sector

This page was generated automatically upon download from the Globethics Repository. More information on Globethics see <https://www.globethics.net>. Data and content policy of Globethics Repository see <https://repository.globethics.net/pages/policy>.

Item Type	Book chapter
Authors	Rogovsky, Nikolai;Sims, Emily
Publisher	International Labour Office
Rights	With permission of the license/copyright holder
Download date	2026-07-07 14:25:20
Link to Item	http://hdl.handle.net/20.500.12424/173322

ROGOVSKY, Nikolai and Sims, Emily, *Two responses to the collapse of the dotcom sector*, in *Corporate success through people. Making international labour standards work for you*, Geneva: International Labour Office, 2002, 103-104.

Case 3: Two responses to the collapse of the dotcom sector

In early 2000, business and political commentators declared the triumph of information technology and the new economy. The “dotcomers” working in IT had the working world at their feet. Then suddenly by the end of the same year, the “dotcomers” had to learn a new word — ‘layoff’. As Eric Hellweg put it:

It's the height of irony that the Internet industry — the same industry that proclaimed its subservience to the employee, the same industry that built itself around human capital and intellectual heft, the same industry that made a cliché out of the phrase 'your company walks out the door every night' — is the very same industry to gracelessly cast aside those employees (Hellweg, 2001).

Here are just a couple of the typical sad stories of January 2001 that have already become part of the dotcom industry folklore. These stories show that no one is immune from being treated as disposable (Salon.com, 25 Jan. 2001).

At Listen.com layoffs came right on the heels of steady expansion. “They kept hiring people in editorial as late as November,” says one former employee. “Plus, managers were really tough about allowing people to take vacation time over the Christmas holidays. But just after New Year's Day, many Listen.com employees received voicemail messages instructing them to be at the office by 10 a.m. sharp, at which time they would receive an e-mail directing them to one of two rooms for a mandatory meeting... The news was delivered in a straightforward way: “As you know, there has been a restructuring, and you have been affected by it... You have 45 minutes to get out of the building. The boxes are ready for you to pack your stuff up in”. Some workers who were late getting back from the vacation arrived at the office to find that they couldn't get in – their key cards had been disabled. Once they eventually got in, they saw that their e-mail had been cut off.

San Francisco-based ComedyWorld.com announced a massive layoff at a meeting that began at 10 a.m. and lasted about 45 minutes, during which nearly the entire staff was let go. Workers were given exactly half an hour to gather their belongings and files before the building was shut at 11.15 a.m. As ex-employees left via the elevator, the security guards checked bags and interrogated them about company laptops and headphones.

These cases are examples of a lose-lose situation. Employees were treated like disposable material, and the employers lost their reputation as a good place to work. Fortunately, not all hi-tech industry employers share the same approach to layoffs, as the next example shows (Hellweg, 2001).

In January 2001 Amazon (AMZN) announced the closure of its customer service centres in Seattle, Washington and McDonough, Georgia, and a layoff of 1,300 workers. However, Amazon behaved differently from the companies mentioned above. It established a \$2.5 million stock fund to be made available to its laid-off workers in 2003. When times get better again and Amazon is scouting around for talent, these people are more likely to consider coming back.