Kuwait Times
Established 1961

Business

THURSDAY, NOVEMBER 24, 2022

‘Hardcore’ Musk drives into a culture clash at Twitter

Musk again delays launch of paid verification on Twitter

SAN FRANCISCO: After snapping up Twitter, one of Silicon Valley’s most iconic companies, Elon Musk swiftly introduced his no-holds-barred work ethic, setting up a bitter culture clash with thousands of workers who still believed in the platform’s higher mission. In less than a month, Musk sacked half the company’s 7,500 employees, axed executives and engineers who disagreed with him and finally imposed an ultimatum: work “extremely hardcore” or leave.

The style is reminiscent of what Musk pushed through at Tesla, SpaceX and his other companies, where the multi-billionaire drove his teams hard, seeing their personal sacrifice as the key to success.

After an initial willingness to wait and see, Musk’s style has proved disconcerting in a company culture that valued ethics and a strong sense of community, even when worked hard. “I have the impression that Musk really likes humanity but not so much humans,” said Emmanuel Cornet, a software engineer who was among the first to be fired from the social media company after the acquisition on October 27. Before that, he’d been one of the many employees genuinely curious to see the successful entrepreneur at work, despite his propensity for provocation that has delighted so many of his fans.

“I think we had blinkers on. Most of the employees tried to give him the benefit of the doubt for as long as possible, and also because finding another job is not necessarily easy,” he said. But Musk, beyond the big smiles and enthusiastic declarations, has lived up to his reputation, with those remaining having no choice but to give their job their all. “His behavior is still of the bully on the playground, firing anyone who tells him he’s wrong,” said Sarah Roberts, a social media professor at UCLA. “Any kind of criticism with his wildly inaccurate ... statements gets you fired.”

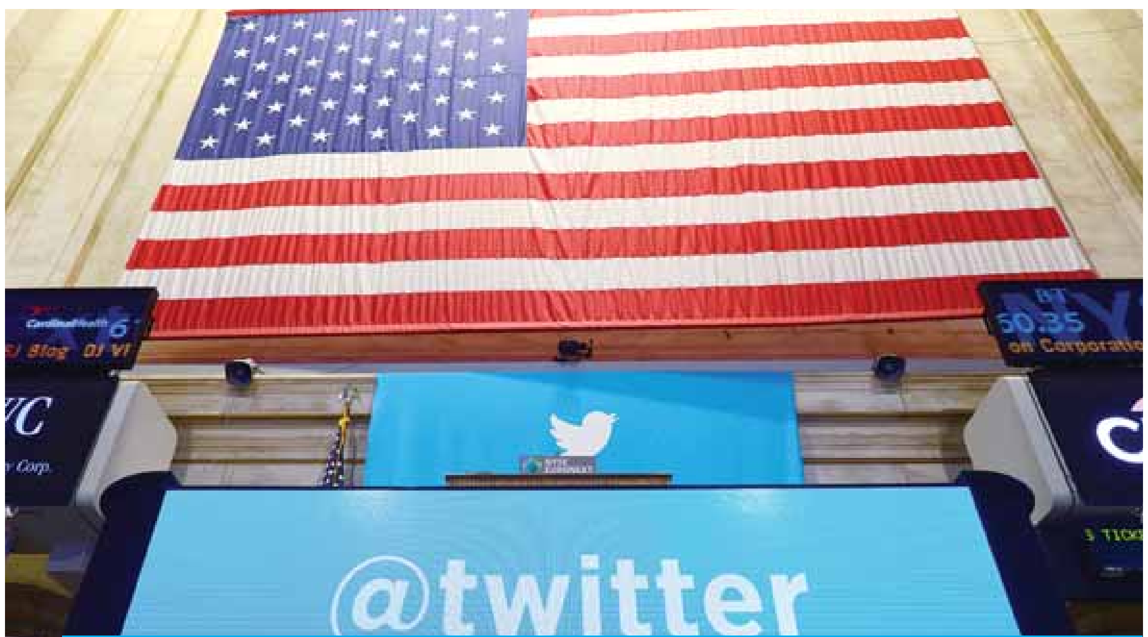
No ‘respect’

Cornet was particularly shocked by what he called a lack of respect from the richest man in the world. “In the long term, objectively, he seems to be trying to help the planet, with electric cars, in particular,” he said. “But the people around him seem disposable.”

Musk brings “this kind of swashbuckling bravado from being an entrepreneur interested in things like rockets and cars and big hardware that has impressive performance and really wows people,” said John Wihbey, a media professor at Northeastern University. “The Twitter culture is much more low key. It has a politically progressive, geeky, pro-social vibe,” he said. The libertarian entrepreneur has long had close ties with Silicon Valley, where he co-founded Tesla. But he has since disavowed politically liberal California, railing against health restrictions during the pandemic and becoming a hero to conservative libertarians online. At the end of 2021, he moved the headquarters of his flagship company to Texas, a majority conservative state.

Twitter was founded by Jack Dorsey, who “is very much this kind of Zen guru, sort of a spiritual seeker vibe,” said Wihbey. Employees of the network were “proud to work there”, he said. “They really believed in the product.” Cornet worked 14 years at Google before going to Twitter, two groups which, at the time, did not seem “obsessed with profits.” “The sense of community at Twitter is so strong it continues after” the layoffs, he said with admiration. Ex-employees gather on Discord, WhatsApp, signal and other platforms to support each other and be nostalgic.

Meanwhile, Musk has postponed the relaunch of paid verification on the platform, extending a suspension he previously said would end this month. Adding a verification option for subscribers of Twitter Blue, open to all users for eight dollars a month, has been a major focus for Musk since he bought the platform in late October.



NEW YORK: In this file photo, the Twitter logo at the New York Stock Exchange (NYSE) in New York. —AFP

“Holding off relaunch of Blue Verified until there is high confidence of stopping impersonation,” Musk tweeted on Monday. “Will probably use different color check for organizations than individuals.”

Musk did not give a date for the relaunch, which was previously scheduled for November 29. Early this month, Musk said the relaunch of Twitter’s paid subscription service would include account authentication, arguing the plan would upend the platform’s “current lords & peasants system” and create a new revenue stream for the company.

A first attempt at launching the feature on iPhone saw an embarrassing spate of fake accounts that scared advertisers. Verified accounts with millions of followers were banned after their user name was changed to “Elon Musk.”

Twitter suspended paid verification and reinstated the gray “official” badge on accounts belonging to public figures and major organizations. Musk has since reinstated some of the banned accounts that impersonated him, including that of comedian Kathy Griffin. Before Musk acquired Twitter, the platform offered free identity verification for organizations and public figures, while Twitter Blue offered unrelated customization features. —AFP

US tech giant HP plans up to 6,000 job cuts

WASHINGTON: PC-maker Hewlett Packard on Tuesday said it would lay off as many as 6,000 employees over the next three years as the slumping world economy continues to embroil the US tech sector. HP, which has a payroll of about 61,000 people, said it aimed to secure $1.4 billion in annual savings through 2025 as it followed the cost-cutting path of other tech giants such as Facebook-owner Meta, Amazon and Twitter.

The plan “will enable us to better serve our customers and drive long-term value creation by reducing our costs and reinvesting in key growth initiatives to position our business for the future,” HP CEO Enrique Lores said in a statement. Meta said earlier this month it will lay off more than 11,000 of its staff and Twitter saw half of its 7,500-strong employees culled just days after the company was taken over by billionaire Elon Musk in late October.

“These are the toughest decisions we have to make, because they impact colleagues we care deeply about. We are committed to treating people with care and respect...” an HP spokesperson said in an email to AFP. HP, which makes computer hardware and printers, announced the layoff plan as it announced an 11.2 percent fall in revenues to $14.8 billion for the final fiscal quarter of 2022. —AFP

PALO ALTO: In this file photo taken on May 23, 2014, a sign is posted outside of the Hewlett-Packard headquarters in Palo Alto, California. — AFP

Aircraft orders drive US factory goods demand

WASHINGTON: A pick-up in aircraft orders boosted demand for big-ticket US manufactured goods in October, with numbers rising more than expected, government data showed Wednesday. Durable goods orders rose one percent to $277.4 billion last month, up from a revised 0.3 percent bump in September, the Commerce Department reported.

Transportation equipment led the increase, with orders for nondefense aircraft and components growing 7.4 percent. Analysts expected the figures were likely boosted by civilian aircraft orders thanks to Boeing. Meanwhile, orders for defense aircraft and parts soared 21.7 percent from September to October. Surging inflation in the United States and supply chain problems have proven a challenge to industry and consumers, causing a pullback in spending and investment.

But while observers braced for a further drop in demand for nondefense goods-seen as a guide to equipment and software investment-this number picked up in October, pointing to resilient demand.

In October, orders for computers and related products rose 4.7 percent, data showed. Without the boost from transportation, durable goods orders still increased 0.5 percent. “The data point to still-positive momentum in business investment and equipment spending,” said economist Rubeela Farooqi of High Frequency Economics. But she added that this will likely slow “on softening demand in response to higher interest rates.” As inflation in the US hit its highest level in decades, the central bank has embarked on an aggressive campaign to cool demand and tamp down price increases.

Ian Shepherdson of Pantheon Macroeconomics cautioned in a recent report that the “outlook for equipment and software investment is bleak,” citing gloomy survey results on capital expenditure plans. “The deterioration in the surveys began earlier in the year as energy prices surged in the wake of the war in Ukraine, and businesses then cut back their plans further as the (US Federal Reserve) stepped up its pace of rate hikes,” he said. Meanwhile, new home sales in the US defied expectations and rose in October, government data showed Wednesday, despite mortgage rates remaining high. Although sales surged during the pandemic, the sector cooled with the central bank raising the benchmark lending rate multiple times this year to ease demand and tamp down soaring inflation. —AFP

Boeing 787 Dreamliners are shown in final production at widebody factory of Boeing in North Charleston, South Carolina, in this file photo.

Uniper rescue to cost Germany an extra €25 billion

GERMANY: Troubled gas giant Uniper on Wednesday said the German government would need to spend an additional €25 billion euros under a planned nationalization to stave off the firm’s collapse in the wake of Russia’s war in Ukraine. The German government agreed in September to nationalize the debt-laden company after Moscow’s closure of a key gas pipeline and sky-high energy prices left Uniper facing bankruptcy.

But the initial €8-billion-euro cash injection from the government “will not be sufficient to stabilize Uniper”, the company said in a statement. Another capital increase to the tune of €25 billion ($26 billion) will be needed to help cover “the enormous additional costs of the Russian gas cuts that continue to be primarily borne by Uniper”, CEO Klaus-Dieter Maubach said.

The revised figure comes after Berlin scrapped a controversial plan to make German consumers pay a gas levy to help importers cope with rising prices, which would have covered some of Uniper’s costs.

The government will finance the rescue out of a €200 billion “special fund” designed to cushion the impact of the energy crisis on households and businesses. Uniper said it would ask shareholders to formally approve the rescue deal on December 19. As Germany’s biggest gas importer, Uniper has been hit especially hard by the fallout from the Ukraine war, which forced it to buy gas at significantly higher prices on the open market.

It has reported a €40 billion net loss for the first nine months of the year, one of the biggest losses in German corporate history. Germany’s government stepped in to save the company on fears that its collapse could endanger gas supplies and wreak havoc on Europe’s biggest economy. Germany, which was heavily reliant on Russian gas imports before the war, has raced to find alternative suppliers and fill reserves before the colder winter weather arrives. The country announced last week that its gas storage facilities were 100 percent full. —AFP