

Is Microsoft the Canary in the Economic Coal Mine?

Rita McGrath, award winning management expert, says layoffs at Microsoft could be signaling significant trouble brewing in the economy.

LOS ANGELES, CALIFORNIA, USA, October 26, 2022 /EINPresswire.com/ -- Under our current economic malaise, nearly all major tech companies are shedding employees. Twitter and Blind have employees reporting the loss of their jobs. Snap has reported job cuts. Meta has already frozen hiring and plans cuts in the majority of their divisions with layoffs on the way.

Now, Microsoft, one of America's most prominent software companies with roots all the way back in 1975, has announced they are starting layoffs. Reports estimate about one thousand people will be cut from Microsoft's employment rolls. While that is a small number relative to the total number of Microsoft employees, 221,000 as of this year, a company offering a decade of almost continuous growth and market dominance announcing any workforce reduction is an eyebrow raising event.

American strategic management scholar and professor of management at the Columbia Business School, [Rita McGrath](#) says, "All this crazy bubble capital that's been flowing into tech is now starting to come to its senses. So we're a little bit in the hangover period after the party's done."

These giant tech companies, by their actions, are warning us they see increasingly uncertain



Rita McGrath

fortunes ahead. While it can be quite normal for companies to restructure and refine their processes as markets evolve over time, there is significant cause for concern when an entire sector starts pulling back and protecting themselves from economic uncertainty. It can stand as a warning to all of us that we need to evaluate what's happening to our economy and make decisions to protect our own economic safety and growth.

Management expert Rita McGrath says, "this is reminiscent of the late 90's, when way too much money had flooded into the tech sector and there was an inevitable correction." "Tech, because it is so software and service-based, tends to reflect broader trends more quickly than other parts of the economy," she added.

While [banks](#) are setting aside extra cash to protect themselves from bad loans, tech companies are shedding jobs. The economic future is looking less than rosy.

Rita McGrath was recently interviewed by Marketplace and offered her commentary on what's happening in our economy:

<https://www.marketplace.org/2022/10/18/microsoft-layoffs-may-signal-a-broader-tech-downturn/>

American academic and business consultant Clayton Christensen called her work "some of the most important management ideas ever."

You can learn more of the management and economic insights from Rita McGrath at:

<https://www.ritamcgrath.com>

Aurora DeRose
Boundless Media Inc.
+14706611843 ext.
[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/597148502>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2022 Newsmatics Inc. All Right Reserved.