
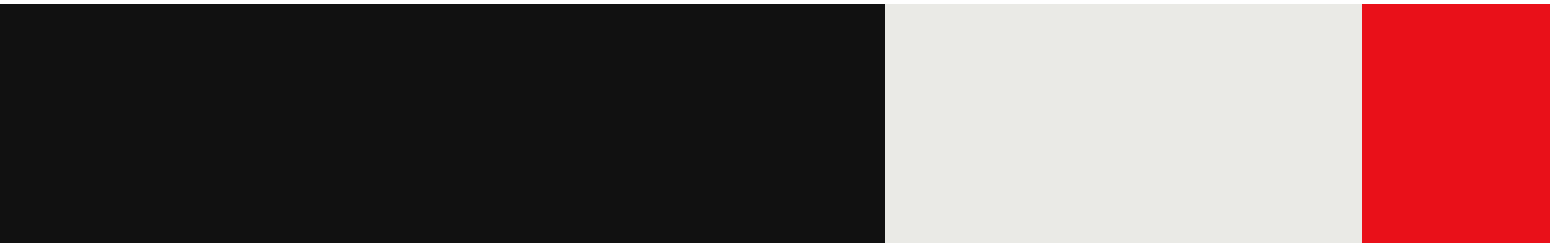


Big Tech's layoffs reveal flaws in the industry

Article



The trend: Collectively, **Apple, Microsoft, Amazon, Alphabet, and Meta** have lost more than **\$3 trillion** in market value this year, per [Bloomberg](#), and signs point to continued struggles for the sector.

- [Mass layoffs have become the release valve](#) for various Big Tech companies adjusting to a post-pandemic economy and heightened uncertainty as consumer spending and advertising budgets evaporate.
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- Microsoft CEO **Satya Nadella** told [CNBC](#), “The next two years are probably going to be the most challenging because, after all, we did have a lot of acceleration during the pandemic and there's some amount of normalization of that demand and, on top of it, there is a real recession in large parts of the world.”
- Microsoft, like other technology companies, is reportedly looking inward to determine, “are we as efficient as we need to be competitive?”

Tech's troubles beyond the jobs outlook: Heightened scrutiny on Big Tech has pulled at its veneer of resilience and continues to expose greater problems within some of these monolithic companies. One big revelation: Charismatic but mercurial CEOs might not be the ideal leaders to navigate companies through periods of turmoil.

- **Salesforce** employees describe a week from hell after the company announced it was cutting 10% of staff or 7,000 employees. An all-hands meeting with Salesforce CEO **Marc Benioff** was tone-deaf and included jokes about the layoffs ruining Salesforce CTO **Parker Harris'** birthday, per [Insider](#).
- A [reduced focus on security](#) at **Twitter** exposed **200 million users' email addresses leaked by hackers**.
- Amazon's and Alphabet's aggressive expansion during the pandemic has now led to sudden contraction, with both companies distancing themselves from [moonshot projects](#) and broader consumer electronics ambitions.
- Meta's [all-in pivot to the metaverse](#) has painted it into a VR corner, which will make it difficult for the company to pivot away in the future.
- Apple's reliance on China and on iPhones for profits has resulted in monumental losses while pressure mounts for new products in the face of [waning innovation](#).

Key takeaways: Big Tech is facing an economic reckoning that continues to reveal various fundamental weaknesses and problems that could become unmanageable, especially at the scale of these companies.

- As a result, Big Tech companies may not be as big of a draw for top talent fearing that their careers could be easily disposable.
- This could help other industries [attract tech workers](#) and loosen the technology sector's vise-like grip on innovation.