

THE EXTRA POINT

BY JERRY ROBERTS



1243 73 Billion Reasons to Lay Off 10,000 Workers

In my career, I have known employers who did all that they could to protect the interests of their workers, and I've known others who only looked out for their own interests, turning a cold shoulder to employees. I'm Jerry Roberts and I'll have a story about this, next, on The Extra Point.

As I was saying a moment ago, I've seen up close the stark differences between employers, those who protected workers and those who threw people away in order to maximize profits.

People who know me understand that I am pro-business, and have no problem with anyone making a healthy profit.

I also believe in taking care of the people who are responsible for helping you generate that profit.

If you have a good year, it only seems fair that you would share the bounty with your team. If you have a bad year, I don't expect an owner to give away money he/she doesn't have. I've been on both sides of that equation — both as an employee and an owner — so I understand all the emotions involved.

I've been let go because money wasn't there, and I've had to lay people off for the same reason.

If you follow national business news, you know that Elon Musk took over Twitter; quickly cutting staff by 50%. Roughly 3,700 employees were let go, followed by terminating about 4,500 contract workers. Musk revealed that Twitter had been losing over \$3 million per day. How can anyone fault a CEO for making drastic cuts when facing a \$1.1 billion annualized loss?

Liberalized business media ripped Musk over the layoffs, but more because he restored the accounts of previously banned conservative voices to the platform. They had no interest in Musk bringing free speech for all to Twitter.

So, we need to keep score and you'll see why in just a few moments. Twitter, and Musk, losing \$3 million a day, put out about 8,000 total workers. They are judged guilty of unfair practices.

A few days ago, Microsoft announced they will be laying off 10,000 workers. Okay, it's because they're losing millions each day, and cutting staff will help them stay afloat. We can all understand that and while it's very unfortunate, Microsoft did what they had to do.

Not exactly. You see, Microsoft's 2022 total revenues were about \$200 billion, and they pocketed \$73 billion in net income. The company's business grew by double digits. In short, it's probably never been so good at Microsoft. How did they celebrate? Presumably, by announcing the 10,000 layoffs.

Now, as you might expect, the media rose up and smacked Microsoft over this. Making a massive, record profit and then dumping 5% of their workforce, is unconscionable and the media ran them over the coals for doing so.

Not exactly. Inc magazine lauded Microsoft CEO Satya Nadella for his "humanity" because his statement announcing the layoffs read: "We will do so in the most thoughtful and transparent way possible."

That was it. He uttered the words "thoughtful and transparent," and that's all Inc had to see. What about dumping 10,000 people on the street while you've got tens of billions made?

Back to the scoreboard. Twitter and Musk lay off 8,000 while losing \$3 million a day. The media hates Musk and his style. He's bad.

Nadella and Microsoft throw out 10,000 while banking \$73 billion. Inc and other media essentially call him Mr. Wonderful.

(Con't.)

Sticking with the scoreboard, how much would it have cost Microsoft to keep those 10,000 workers? Probably less than \$1.5 billion this year. Even if Microsoft realizes a projected decline in 2023, it won't be severe. They'll still be tens of billions to the good. The cost to hang onto their workers would be a drop in the bucket.

Of course, it's all about stock price. We can't have it slipping a few points because we don't meet all of Wall Street's expectations. Thus, the sacrifice of 10,000 workers and families is okay, totally justified. We had 73 billion reasons why it made sense.

You hear a story like this and you gain a better understanding of *The Great Resignation* and *Quiet Quitting*.

In an era when trust in leadership has been eroded, both in business and much more so in government, Microsoft and the media that supports them, should be called out.

To the Guam employers who struggle to keep the doors open, and to keep workers on the payroll — even if owners take a little less — you deserve our admiration.

That's the Extra Point. Be responsible and make something good happen today. For 93.3 and the Ray Gibson Show, I'm Jerry Roberts.

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