Layoffs

PINK SLIP

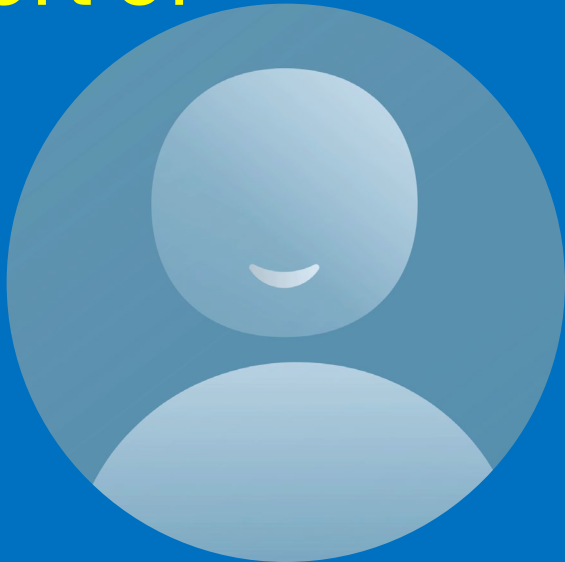
The Good…

The Bad…

And The Ugly!

Caveats:

- The following may not apply to companies that have unions (with their constraints), non-profits, or governments. (But I bet they do!)
- Everything is this presentation is based on my own experience. It may not agree (at all) with studies or findings on this subject by those who do this sort of thing for a living.



A Concern:

It is widely recognized that terminating rank-and-file federal employees has historically been extremely challenging. As a result, many government managers and supervisors likely lack practical experience in conducting layoffs.

Given this, how can we be confident that the process will effectively retain top-performing employees while eliminating those who underperform?

Left on their own, managers and supervisors will all too often **lay off** subordinates in this order:

1. TROUBLEMAKERS
2. OTHER PEOPLE THEY DON'T LIKE FOR WHATEVER REASON (POLITICS, RELIGION, ETHNICITY, SEX, ETC.)
3. MOST SENORITY (HELPS REDUCE COSTS FASTER)
4. PEOPLE THAT COULD EASILY REPLACE THEM
5. PERFORMANCE REVIEWS (Maybe)

Left on their own, managers and supervisors will **keep** subordinates in this order:

1. Subordinates with whom they are having, or have had, an affair
2. Anyone else with knowledge about them that could get them fired
3. Relatives of anyone higher in the chain of command
4. Subordinates who do work that they would have to do if they were terminated
5. Eenie meenie miny mo

Actual Mistakes I have seen Happen in Layoffs

- At one company, a senior engineer earning $150,000 was laid off to retain three junior engineers. Unfortunately, this senior engineer had personally designed critical equipment used in the manufacturing process. When the equipment failed, no one else knew how to repair it. The company attempted to rehire the engineer, but, unsurprisingly, they declined. The equipment breakdown caused weeks of lost production time before it was finally repaired.
- In several other cases, employees were terminated in violation of the company’s written layoff procedures. In some instances, these breaches led to substantial out-of-court settlements. In one notable case, a laid-off employee nearly secured a settlement equivalent to five year’s salary.

A Few More Observations About Layoffs

Sometimes companies face a recurring challenge with layoffs: the initial round often falls short of resolving underlying issues, necessitating additional cuts.

Employees affected in the first wave typically receive the most generous severance packages. Subsequent rounds offer progressively diminished benefits.

High-performing employees rarely depart during the initial layoffs. However, in later rounds, these key talents begin to exit en masse, prompting companies to extend special retention incentives to preserve critical expertise.

Organizations frequently assume that surviving staff will absorb the workload of those let go, maintaining productivity. This is unrealistic. A more effective strategy involves proactively identifying tasks that will be deprioritized or eliminated, along with necessary operational adjustments. Failure to do so risks overburdening remaining employees—potentially leading to burnout and further attrition among those now expected to handle the responsibilities of multiple roles.

Ponder This:

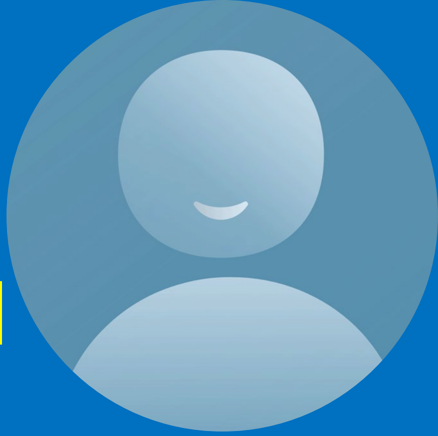
A production supervisor was struggling with a tough decision about which person to lay off. (Both employees had good performance reviews and performed the same tasks.)

- Person **A** was a twenty-four year old with two children and no husband.
- Person **B** was a sixty-one year old who lived by herself and had no family.

He asked me which one would I layoff and why?

Which person would you choose?

Just So You Know:



- As an executive in Silicon Valley in years gone by, I actually had to oversee the layoff of hundreds of employees at times, and smaller numbers numerous times.
- If you are a good manager, the process of laying off people you know and care about is just not fun at all. It’s in some ways it’s the hardest part of a manager’s job. Repetition doesn’t help.
- Believe me, it’s a lot more fun to hand out profit-sharing checks or bonuses!

More from me (Doug Kenny, douglaswkenny@gmail.com)

To view more of my thoughts, simply go to:

HTTP\\: democracyatwork.com

For about twenty five years I have entertained myself and a few others by writing legislation that I would like to see Congress pass. It's encouraging to see that some of them have passed in some form…

I TAKE ABSOLUTELY NO CREDIT FOR THAT HAPPENING.
I'M JUST YOUR TYPICAL FRUSTRATED AMERICAN HOPING THINGS WILL GET BETTER FOR ALL OF US.

THANKS FOR DOING YOUR PART TO HELP MAKE AMERICA A BETTER PLACE FOR ALL!