

Layoffs

A pink, wavy-edged graphic resembling a slip of paper, containing the text "PINK SLIP" in black, uppercase letters.

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 in 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.

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
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 making \$150k was terminated so three junior engineers could be kept on the payroll. The only problem was that the senior engineer had personally designed a piece of equipment used in the manufacturing process. It broke down and no one knew how to fix it. The company tried to hire the engineer back. As you might guess, the engineer said: f___k you! It cost the company about a month of production time before the machine was finally fixed.
- In several other instances, employees were laid off in violation of the company's written procedural process for such events...in some cases the companies were forced to agree to large out-of-court settlements. In once case the laid-off person almost won ten year's worth of salary.

A Few More Observations About Layoffs

In some instances, this happens:

- The number of people laid off is insufficient to solve the problem. So, a second or third layoff becomes necessary.
- The people in the first layoff frequently receive the most generous termination package. Those in subsequent layoffs receive less and less in each round.
- Very few really good employees leave in round one of layoffs...after all, they have been spared the axe. But in round two, they begin to leave in droves...so the company has to be prepared to offer special packages to highly valued employees to keep them on board.
- Companies rationalize that those remaining after a layoff will pick up the slack and everything will still get done. DREAM ON! A far better approach is to determine in advance what won't get done and make the appropriate adjustments. If they don't, they run the risk of losing those people who they now expect will do the job of two or three people.

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?

A Concern:

Any rational person would applaud our government's effort to reduce the size of its bloated bureaucracy.

But, we have all heard that historically, it is virtually impossible to fire anyone within this establishment.

Therefore, it seems likely that most government managers and supervisors may not have any practical experience in conducting layoffs.

Given that...How can we be comfortable that this process will retain the best employees while ridding us of the worst?

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)

If you would like to see more of my thoughts, simply go to:

[HTTP\\: democracyatwork.com](http://democracyatwork.com)

For about fifteen 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 BETTER!