HOW TO TELL IF YOU ARE LAY OFF MATERIAL: WILL YOU BE LAID OFF NEXT?

Layoffs are upsetting to everyone - the workers who do get the axe and the employees who didn't get it, but thought they would. Whether it's a surprise or just a confirmation of the handwriting on the wall, layoffs are never easy events to navigate. While most victims of layoffs look back later and say that the change was for the good, no one likes to lose their job. Emotionally, financially, motivationally - layoffs are tough on everyone.

When companies undertake multiple rounds of layoffs, why do some workers seem to escape the axe every time? Although it sometimes seems like it, companies don't cut employees at random and for no reason. When companies cut their workforce, they are trying to maximize their return on investment, cut the fat where possible, and still achieve revenues while only using key people.

How do they determine who is a key employee? Believe it or not, there is a method to the madness of layoffs and as an employee, it behooves you to know the method so you can take steps to secure your career.

Round One Layoff - The first round of layoffs is the most indiscriminate and generally follows the rule of "last in, first out". Relatively new employees on the bottom rungs of the ladder or new employees in middle management are prime targets in round one layoffs. Departments that are generously staffed will also be hit in the first round. For example, if Customer Service personnel numbers have increased by 20% over the past year, but sales have not, chances are management will decide there are Customer Service agents who are not needed.

Round Two Layoff - Middle management is targeted in Round Two. The salaries are higher than the lower level employees and there are more people either vertically or horizontally to take over the supervision of personnel and projects.

Round Three Layoff - This is where it starts getting tricky. At this point, companies have cut the staff from overstaffed departments and have cut middle management, redistributing the workload. Management stops looking at longevity and task distribution and starts looking at Return on Investment per employee. Some of the items on the checklist include:

- Is this employee worth the salary he/she is making in terms of revenues generated as a direct result of his/her employment?
- Is this employee's salary out of line with salaries of other employees doing the same job?
- Does this employee have vital knowledge about a product/service/technology that no one else in the company has?
- Does this employee have the track record of performance (that is likely to continue in the future) that will justify retaining them?
- Is this employee liked by others?
- Does this employee have key vendor or customer contacts that would be detrimental to the company to lose?
- Does this employee demonstrate initiative, drive, and interest in the success of the company?

Let me give you an illustration of how this last round works with an example from reality. Joe Schmo was recruited by ABC company two years ago at the height of the economic boom. Joe was an employee of a hardware vendor with which ABC was working closely. ABC wanted to have a Subject Matter Expert (SME) for this particular piece of hardware on board so they could leverage the product expertise with their customers. Joe was made a choice offer that was $40K above the salary of the other company SME's, including his direct supervisor, in order to get him on board. Joe took the offer and then, puffed up with his own importance, decided he was going to coast for awhile. He didn't perform as well as the other SME's and never took initiative to take on new duties or help the others who were overworked.

Additionally, the product for which he was hired for his expertise lost favor in the marketplace and was being slowly pulled from the packages offered to customers. Joe made no effort to expand his expertise with any of the new products or to boost his performance. He figured since the company had wanted him badly enough to make such a sweet offer, he was safe.

When it came time to cut workers again at the end of the third quarter, management looked at the numbers - Joe was being paid an inordinate amount compared to the other SME's; his revenues generated weren't as good as the other SME's; he had a "prima donna" attitude and wasn't a team player; and the product for which his expertise had been needed was being cut. He was a prime candidate for layoff.

How do you avoid being a Joe Schmo? It all goes back to workplace savvy and work ethic. You need to make yourself invaluable to the company. How? Apply the following steps of common sense:

1. **Be a team player.** Work hard to achieve the company's goals. Help others. Communicate well with others. Be a nice guy. Work with others cooperatively. It's basic sandbox politics.
2. If you make big bucks compared to everyone else, **make yourself worth your salary.** If you are already overpaid (c'mon, you know if you are), get busy and find a way to make yourself worth the money. Work the hours needed. Do the dirty jobs. Make the contacts. Work with the nasty customers that no one else wants to work with.
3. **Know someone or something that the company needs and that no one else in the company knows.**
4. **Perform well.** Doing an adequate job will not be enough to waylay the axe. You have to excel over and above expectations.
5. **Take initiative.** Suggest and implement new ideas, ways to save money, ways to make money. Do the studies needed to prove that your suggestions are worthy. Show evidence of the results of your efforts.

When layoffs get to the second and third stage, longevity with the company is no longer an issue. Many people make the mistake of assuming that since they have been with their employers a long time, they are safe. Actually, longevity may be a hazard instead because it gives the impression of stagnation. You have to have positive, measurable impact on a company's revenues to maintain any margin of safety in today's economic climate. Length of service will not matter.

Employees often make the same mistake that Joe Schmo made - assuming since they were aggressively recruited, they are not in danger of being cut. The Cisco Certified Internetworking Engineer (CCIE) who turned down four job offers at once 18 months ago, may well be the first to go now; especially if two Cisco Certified Network Associates (CCNA's) making a total of $120K can adequately do his job for $30K less than his salary. The age of the prima donna is long gone. If you are/were one, it's time for a reality check.

Are you layoff material? If so, it's time for some fast action to build some safety factors into your position. Take a hard look at your performance, your attitude, your productivity, and your knowledge and see where it needs to be improved to keep the axe from falling on your neck.

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