



## **Signs Your Organization is Preparing for Layoffs**

**By: Linda Matias**

The day that every employee dreads has finally arrived: you suspect that your organization is preparing for layoffs. But is it really a potential layoff or are you just being overly suspicious? In this age of information overload, it is hard to understand why many employees are still being taken off guard by cutbacks and layoffs. It is the employees fault to a degree: most employers don't have to alert their staff, but the employees can still pay attention to the signs that things are not going well and that it may be time to start reworking their resumes.

## The Signs

If your organization is taking one of the following actions, chances are that your job is safe. However, two or more is a serious indicator that trouble is brewing and layoffs are potentially on the horizon. Be aware of the signs so that you can minimize your risk and not be taken off guard.

- 1. Hiring freeze** – the company announces that it will not seek to fill vacated positions, and instead, will delegate those responsibilities to several current employees. The freeze is for an “indefinite” amount of time.
- 2. Salary freeze** – the organization has decided to put a freeze on all position salaries for this year and will not confirm if it will do the same next year. The reasons include “budget cuts across the board,” and a need to maintain current benefits.
- 3. Budget cuts** – management begins to reject budget proposals that were always approved, citing reasons such as “not a good time,” and “table it for further discussion.”
- 4. Expense reductions** – the inventory closet is getting increasingly bare and supplies are arriving in much lower numbers. No one has a good answer as to why.
- 5. Travel cuts** – the number of annual conferences have decreased and it is taking a longer time for staff to be reimbursed for travel expenses.
- 6. Streamlining** – management is combining areas in order to report to fewer managers. So instead of four areas reporting to four different managers, you now see four areas reporting to two managers.
- 7. Projects postponed or cancelled** – the spring project has been postponed and the summer project has been cancelled. Management says it's because there aren't enough resources to devote to them, but won't be more specific.
- 8. Management leaving** – management usually knows of impending layoffs before the rest of the organization. Several management staff leaving one right after the other is a major indicator that layoffs are just around the corner.



**9. Cutbacks in support staff** – unfortunately the support staff are usually the first to bear the brunt of a declining organization. Watch for hiring freezes and layoffs in this area because your area is likely to be next.

**10. Consultants** – when layoffs are imminent, many companies will bring in outside consultants to review positions and the organizational layout in order to help them make the best layoff decisions.

**11. Rumor mill** – the rumor mill is full of inaccuracies, but keep an open mind when you begin hearing grumblings of a future layoff. It may be a false alarm, but it is better to be warned and ready than unprepared for the worst.

**12. Unmet business goals and expansion** – business goals are not being achieved year after year and the organization is no longer expanding. In fact, some offices may have started shutting down due to “productivity concerns.” The job market can be a volatile place and the better you are prepared for a layoff, the better off your career future will be. Many people are blindsided by a layoff and say they never saw it coming. But perhaps the signs were always there but just weren’t recognized.

If you find yourself in this unlucky predicament – don’t lose hope. Take charge of your future by updating your resume and references and nurturing your network. Make sure you have copies of your current evaluations and/or reviews in case you won’t have access to them later. If possible, maintain a positive relationship with your supervisor so he or she can become a valuable reference. And try to keep an optimistic outlook of the situation – it may not be immediate apparent but everything happens for a reason.

Consider yourself one of the lucky ones. You’ve taken the first step in minimizing your risk while increasing your success in the event of a layoff. Perhaps you will never have to face such an event, but if you do, you are now more prepared to face it head on.



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