

Writing assignment

[History](#)



1-What are your reactions to Pfeffer's recommendations? It is normal for businesses and firms during downturns to lay off people. They do this in the hope that by laying off people they would be able to survive the downturn and when the economy rebounds they can start hiring again. However, the reputed Stanford Professor, Jeffrey Pfeffer has a different take on the whole issue as laid out in the article, Layoff the Layoff's. In the article, he makes a persuasive case against layoffs. My reactions to Pfeffer's recommendations are that while companies can indulge in layoffs to a certain extent when they are totally unavoidable, I tend to agree with what the Professor says about the direct and indirect costs of layoffs. It has often been said that the best way to end up with the worst people in your firm or business is to announce that the firm is laying off people. This ensures that the best people make an exit for the door and as Pfeffer points out, many firms rehire them simply because they cannot afford to lose those people. This is the morale factor. However, there are other factors as well which include the effect on a firm's profitability (not profits) and its attitude towards its customers (particularly for service sector companies). All these factors make laying off people not that much of an attractive proposition and as Pfeffer points out, there might be other ways to beat the downturn apart from laying off people.

2- How realistic do you think his recommendations are in the current job/economic climate?

Given the fact that the article was written in 2010 (at the peak of the Great Recession), there are some points in the article and Pfeffer's recommendations that can be implemented by the firms and businesses. However, this is not to say that the entire set of recommendations are realistic when one takes into account the fact that many firms, in order to

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simply survive in the current economic climate need to cut jobs. The reason for downsizing becoming attractive is that the share of the service sector in the overall economy has gone up drastically in the last few decades. Since the service sector primarily relies on people and the costs of payroll and perks are the major chunk of the overall costs, there is indeed a case to be made for layoffs. Though as Pfeffer says when people are our main assets, why lose them. The point here is that one needs to take a nuanced approach towards Pfeffer's recommendations and take those among them that make business sense. Without resorting to emotional factors, Pfeffer has convincingly shown that layoffs do not make business sense as well. Maybe it is time for firms to look at financial optimization rather than labor optimization. In this context, Pfeffer's article throws a lot of light on the alternatives that firms and businesses can take when confronted with a bad economy. That, in my view, is the real strength of the article.

References

Pfeffer, J. (2010, Feb 04). Lay Off the Layoffs. Retrieved Oct 23, 2011, from Newsweek: <http://www.thedailybeast.com/newsweek/2010/02/04/lay-off-the-layoffs.html>