Is rehiring laid off staff a smart move?
Posted by jmottl - 2009/06/23 12:31

My mother always said the devil you know is safer than the devil you don't, and I would think that CIOs would be happy to hire back on laid off staff when given the opportunity. The ex-staffers know the organization, IT focus, etc. and as long as the parting was ameniable I would think it's a smart move. But maybe it's not? What's your take?

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Re:Is rehiring laid off staff a smart move?
Posted by caragarretson - 2009/06/25 21:40

I think it's something that depends on both the person and the company. I agree that if good employees were laid off then management really should look to rehire those performers first, before considering other candidates. But if a significant amount of time has gone by and skills could have lapsed, or if the company has reorganized or refocused and is doing business differently, it might be more productive for the company to hire someone brand new, instead of someone who might be comparing with the way things used to be done.

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Re:Is rehiring laid off staff a smart move?
Posted by meggebrecht - 2009/06/26 14:46

I've seen companies increasingly use layoffs as an easy way to eliminate employees they don't exactly mind parting ways with.

Obviously that's far from always the case -- plenty of valuable staffers whose salaries are a little too dear lose their jobs in an environment like this. But does anyone ever get "fired" anymore?

As to bringing back a legitimately valued employee, I wonder whether hard feelings might stand in the way.

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Re:Is rehiring laid off staff a smart move?
Posted by caragarretson - 2009/07/02 11:26

Good point about hard feelings, I can't imagine your typical employee wouldn't feel some sort of resentment about being laid off...having just gone through this myself in May, I don't hold any grudges against my former employer, but I'm not sure I would be thrilled at the idea of going back to work there.

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Re:Is rehiring laid off staff a smart move?
Posted by jmottl - 2009/07/02 12:11

I can understand the potential grudge aspect, but when I loo back on the various layoffs I've experienced, I would have gladly stepped back into the job if opportunity was there as I loved each job I was downsized from and knew it was purely economical decisions that caused the cutback.

The bigger question in my mind would be the stability of the company and its business in the sense would I find myself in the same position six months or a year later.

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Re:Is rehiring laid off staff a smart move?
Posted by Bill Gerneglia - 2009/07/06 08:55

An employee that has been with a firm for many years has gathered institutional knowledge about the firms operations that can only be gained through experience working at the firm. Bringing this person back after a layoff can be a simple

cost effective way for a CIO to fill an open position.

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Re:Is rehiring laid off staff a smart move?

Posted by charlesb2k - 2009/07/06 09:26

Another item to consider is the cost of training a new employee or re-hiring an already trained employee. Especially in the IT marketplace, employees generally have very specialized skills. After being hired into an IT organization, many employers incur great expenses to provide the employee additional training. So if there was no other reason than "across-the-board staff reductions" I would say there is an economic benefit to re-hiring a former employee.

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Re:Is rehiring laid off staff a smart move?

Posted by caragarretson - 2009/07/06 09:53

I wonder if anyone is yet in the position to consider rehiring? Supposedly the Recession is showing signs of bottoming out and hiring freezes may be over in the next 12 months (read article here http://www.ciozone.com/index.php/Career/Economy-Ready-to-Rebound.html), but right now my guess is that CIOs are still focused on cost-cutting and budgeting. Hopefully by the fourth quarter we'll start to see companies looking around for talent to help revive those IT projects cut during the past two years.

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Re:Is rehiring laid off staff a smart move?

Posted by jrajani - 2009/07/06 12:57

Once the economy recovers I would presume that old projecs and some new ones will find their way on the CIO's desk which will prompt them to either look at talent that had to be cut for rehire or to move forward on entirely new hires. The economic pendulum is always moving in a postive/negative fashion and therefore hiring practices have to be flexible to meet revenue and budget levels.

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Re:Is rehiring laid off staff a smart move?

Posted by tomhoff - 2009/07/07 18:02

Some organizations have gone so far as to create limited liability-type subsidiaries made up of retired IT workers that they can utilize for specific projects or tasks where their familiarity with the company and technical background lends itself to the occasion. From what I understand, these types of situations, though rare, have worked out well for both the employer and rehired employee. A bit different that rehiring a laid off IT worker, but something to consider.

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Re:Is rehiring laid off staff a smart move?

Posted by JohnSane - 2009/07/08 08:26

I think this question is totally contingent on the company and the nature of the employee. Others have mentioned in this forum how layoffs are used to part ways with the less desired employee, but sometimes it is only a function of Corporate revenues and if given the chance, many companies do not like to let go of good talent. The idea of project based work is something that happens often in these situations since many former employees become "consultants."

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Re:Is rehiring laid off staff a smart move?

Posted by jmottl - 2009/07/08 15:46

I think that's a very smart approach for companies to take. The company has invested in that employee's skills so why cut it off completely -- that's no value to anyone.

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Re:Is rehiring laid off staff a smart move?

Posted by caragarretson - 2009/07/09 12:15

Taking on laid off employees as contract workers does indeed make sense. The cost savings of using a contractor who has no benefits and little other overhead vs. keeping an employee on the books is substantial. And if that contractor is a former employee and already trained and accustom to the company, all the better.

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Re:Is rehiring laid off staff a smart move?

Posted by yoonsie - 2010/04/26 13:08

I am joining this conversation way late, but I have to agree with those who say the answer is entirely dependent on the individual situation. I agree also with Bill and others who say hiring former staff as contractors is cost-effective and advantageous to the company. I would add, though, that the company will never get the full benefit unless it considers the question in reverse; i.e. Is going back to an employer that laid you off a smart move? What exactly is the employer offering this time around? What are the reasons for wanting to rehire this person? The answers to these and other questions determine whether the renewed relationship will work out for all.

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Re:Is rehiring laid off staff a smart move?

Posted by srw134 - 2010/04/27 02:45

This is of course a good question, the only reason that I would go back to a company as a contractor would either be to make contractor money (which is typically more then employee money) or to just make enough money to find the next opportunity. The productivity of those just going to pay their bills has to be considerably lower then those with a vested interest in the company.

-sean

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