

Tips to Consider When Laying Off Employees

- **Tell employees the bad news in complete detail as soon as you know it.** Inform everyone early in the process what the problems are and what the potential outcomes may be. Employees appreciate an employer who respects them with the truth-even the bad news-and treats them as adults. Most executive teams fear that there will be mass panic and people will bail out in droves. History shows otherwise. You will cause anxiety no matter what, so you'd be smarter to respect employees' intelligence and address the worst case scenario far in advance of the possible event. For instance, if there will be layoffs, outline the severance package to let people know they will be taken care of, even if the worst happens. (By the way, severance packages average two weeks of pay with an additional week for each year worked.)
- **Speak to people face-to-face.** I've received countless emails from people who were fired over the phone, by memo, or in an email. The sting of losing your job is bad enough but a faceless backhand across the kisser is unforgivable. Make no mistake, if you lay off employees in a heartless, inhumane way, the story will go down in company lore and be told and retold. It will show callous disregard for employees and you will lose the loyalty of the surviving employees...the ones you need most right now.
- **Cut the pep talks and instead, spell out the reasons behind the actions that must be taken.** This is not the time for fancy proclamations about your bright future or a bureaucratic smoke screen. People are hurting and you need to deal with the raw feelings of everyone involved. In simple, personal language, explain the details behind the moves the company is making. Respect the intelligence of your employees and let them draw their own conclusions by sharing the facts. Speak from the heart and talk about the real feelings of everyone concerned.
- **When and how to lay off employees is tricky business.** If you abruptly announce that they are fired and walk them to the door, like in the example above, you will surely have survivor resentment. The "Organization Justice Theory" contends that people's conclusions about "fairness" are based on not only the end result, but also the process that was used to get there. On the other hand, announcing terminations and allowing people to hang around for a week, verbalizing their mounting anger, can be even worse. A compromise is to allow people to say good bye and stay after work and pack up their things so they don't feel shoved out the door.
- **Don't think the rest of the employees are grateful just to have their jobs.** They have been watching every move the managers make during the entire process. Layoff survivors identify with the victims and will feel negative reactions if the victims have not been shown company support, such as severance and outplacement help. If the organization shows commitment to their dismissed workers, survivors are likely to be more committed to the organization. To truly experience the benefits of the downsizing you need to invest even more energy in the people who remain. Recognize that they will feel the loss, even if they know the move was a good one. Spend time with each one to reassure them about their value. People need to go through a mourning process before they can move on.
- **After a few weeks, begin to discuss the downsizing as a step towards a more efficient and profitable business with an attractive future.** Look for ways to streamline work, since surviving employees have picked up the extra work the victims left behind. Have career discussions with survivors, to identify areas for additional training, support and opportunities they would like to pursue. Remember, it is not business as usual to those who remain. Careful steps now will help you slowly rebuild morale and move toward a brighter future.