

HR Insights



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Effective Management During Layoffs

The coronavirus (COVID-19) pandemic has impacted organizations and led to tough but necessary decisions for many leaders—including the choice to conduct layoffs. While layoffs aren't easy, proactive measures can positively impact both displaced employees and those who remain employed. Effective management during layoffs should thoughtfully address employees before, during and after a layoff.

This article addresses common reasoning for why layoffs take place, the impact of a reduction in force and steps employers can consider to effectively manage layoffs.

What Are Layoffs?

A layoff, or a reduction in force, is a mass firing of employees—not necessarily due to employee performance. However, layoffs are permanent. Unlike furloughed employees, laid-off employees no longer have access to their employee benefits. Organizations typically conduct layoffs to realign their structure, or to avoid or respond to a financial crisis.

The Impact of Layoffs

A reduction in force usually isn't the first option for an organization. Furloughing employees, or reducing hours or rewards, are ways that organizations try to reduce costs while avoiding layoffs, and often are preferred choices. As a last resort, layoffs typically address the current reality that an organization finds itself in. A poorly managed layoff can allow rumors to spread and damage morale—even for the employees who remain. Whereas an effective layoff transparently addresses the reasoning behind any

chosen actions, and can help keep a company culture and employer brand intact. Layoffs are impactful—and leaders can take steps to manage through this challenging time effectively and retain the trust of employees.

Managing Through Layoffs

Effective leaders can take proactive and thoughtful steps to help prepare for layoffs, address layoffs and effectively manage after a layoff.

Preparing for Layoffs

When preparing for layoffs, employers should:

- **Train managers on how to support employees during this transition—** Emotionally aware managers can help address concerns that employees bring forth. While organizational communication efforts will remain important, managers can directly offer support and encouragement to employees. Training sessions with managers should discuss how to listen effectively and how to offer transparent yet encouraging guidance to their teams.

- **Plan thoroughly**—Determining which departments and individuals to lay off won't ever be an easy decision. Focus on defining criteria for critical positions and teams based on business needs. Effective planning can help ensure that necessary talent remains in your organization post-layoff.
- **Retain proprietary knowledge**—While not always top of mind, ensure that laid-off employees and teams are parted with carefully. This means ensuring that your organization retains any proprietary knowledge and intellectual property. Small efforts now help save big headaches later—be proactive about addressing who knows what before laying off employees.

Addressing Layoffs

When addressing layoffs, employers should:

- **Discuss the current reality**—Ensure employees are aware of why layoffs are taking place. By using an ethos of rational decision-making, employees can be aware that this decision is in the long-term best interest of the organization.
- **Communicate transparently**—Employees appreciate transparent communication. By communicating clearly and addressing common concerns directly, employers can help prevent rumors from spreading. Transparency applies to not only the reasoning for the choice, but also ongoing details that may impact employees.
- **Display empathy**—Positive messaging that doesn't feel authentic may rub some employees the wrong way. During this time, human emotion is OK. Tough decisions are hard for leaders to make, so they shouldn't be afraid to let employees know this.
- **Encourage employees to discuss their concerns**—Leaders should provide clear directions for employees to address their questions and concerns. This may involve referring employees to their manager or a designated company leader. Some employees may not feel comfortable

approaching management about a challenging topic, but employers can take steps to ease any tensions and facilitate an environment where open communication is shared.

- **Provide resources to exiting employees**—This won't be an easy endeavor for laid-off employees—but employers can mitigate damages by helping affected employees. Offer resources to help displaced employees to get their careers back on track, including career-related services.

Managing After Layoffs

After a layoff, employers should:

- **Create a new vision**—Address how a new sense of normalcy can be in the best interest of your organization in the long run. By earning employee buy-in for how this restructuring can help allow your organization to continue to succeed, employees may be eager to help create positive change.
- **Display a commitment to employees**—While effective communication can help, employers can show their commitment to employees through actions. This can be achieved by offering development and engagement opportunities. These may include:
 - Offering cross-training or upskilling opportunities
 - Discussing career development with employees
 - Engaging employees with higher-level responsibility
 - Encouraging employees to innovate and bring forth ideas

By taking actions that show the value that employees continue to bring, employers can display that their employee base is a crucial part of the future for the organization.

- **Benchmark post-layoff progress**—As your organization strives to get back on track, make

sure to set objectives, and evaluate results post-layoff. For example, after 90 days, create a plan to survey or discuss with employees about how they are adapting post-layoff, and address concerns that remain.

Managing Through Change

Laying off employees can be a necessary reality for many employers. By thoughtfully approaching layoffs, employers can minimize risk for the organization and ease the transition for affected employees. For additional resources, contact JP Griffin Group.