

HOW DO YOU CONDUCT LAYOFFS WITH GRACE?



The Covid-19 pandemic's affect on America's economy resulted in a record 3.3 million people filing unemployment claims last week. That number was 281,000 one week earlier, and it shattered the previous record of 695,000 set in 1982. Knowing that there are more layoffs to come and many leaders have never been in this situation before, an executive asked me the question, "*How do you conduct layoffs with grace?*". I asked respected leaders how to do this, and here is what I learned:

Leadership Attributes

Leaders absorb fear and exude hope:

- Tolerance of Ambiguity; we are certainly being tested.
- Lead according to company values (i.e., safety, care for employees, etc.).
- Read Brene Brown's "*Dare to Lead.*" This book has been invaluable to me on a daily basis, and even more so in this time of crisis.

Show a path forward past the crisis:

- Lay out a simple one-page plan to get through this time.
- Hold frequent meetings to rally associates around the plan and chart its execution.
- We held a meeting with our entire team and shared our decisions, how we are evaluating our options, etc.
- I believe that it is critical to be transparent – especially in these difficult times.

Layoff approach:

- So many processes like this need to be deliberately reconsidered in these times, for what makes sense now and what the long-term effect will be on the person as well as the organization.
- What you do today in crisis will have long term impacts on your current employees' and future job candidates' perceptions of your organization.

- If needed, we will look at salary reductions first of higher paid individuals (CEO's, executive teams) which lead the way for employment changes.
- If we want to be seen as the people we present to others, then some sacrifices need to be made by us.
- Needless to say, we cannot trumpet our much smaller sacrifices to anyone losing a job. It has to be evident and visible. Salary decreases, so others keep their jobs? Exec. comp lowered dramatically? Board payments suspended? Could be time for these conversations!
- Some CEO's will not do this; greed is addictive.
- Trying to do it with grace is really for the one delivering the message.
- Layoff conversation can be seen/felt as condescending.
- This is the hardest decision for companies to make, given the uncertainty of our times and what affect this will have on our business. Sometimes, this means we have to make very difficult business decisions to get through this and there is no easy way; a layoff is imminent. We know that our valued team members make the organization, so we are taking measures like this to ensure that we are here to work together again in the future.
- No matter how you handle it, if you're a larger employer, someone will accuse you of being cold and callous and money hungry. But if you've been a good employer all along and are already viewed as treating your employees with respect and dignity, then handling the layoff in the same way will result in most being appreciative of how you handled it.

Preparing for the Conversation

Develop the communication plan:

- Build manager scripts.
- Have individual discussions with HR support vs a group discussion.
- Explaining why helps, especially when the reality of our world makes layoff an outcome beyond the employee's control.

Treat with respect:

- Ideally, give the employee notice (provide as long a notice period as possible), rather than escorting them out the door with a box.
- If possible, a window of transition time between notification date and end date (i.e., four weeks) to connect with colleagues and say goodbye.
- Being cold and business-like in layoff communications backfires, always.
- People in the awful position of telling one, or thousands of people they no longer have a job need to feel and show it. Be human.
- You've theoretically valued and respected these individuals over the course of their employment. Just because you're laying them off doesn't necessitate an immediate suspicion that they will steal you blind on the way out.

Detail the support being offered for affected employees:

- Develop the best exit package possible with severance.
- COBRA benefits assistance.
- Offer good outplacement to help them through the transition.
- Access and priority given for other internal positions not impacted by the layoff.
- Information for employee assistance programs if available.

Designate coordinator to help through unemployment application process:

- Streamlined and centralized call-in process.
- Provide job aids and links to their respective state sites.

Conversation with Grace

Treat employees like adults:

- *“Clear is kind. Unclear is unkind. People using half-truths to make them feel better (which is almost always about making ourselves feel more comfortable) is unkind.” – Brene Brown*
- Use plain language and be concise. Provide brief context. Be direct and explain clearly.
- Don’t sugar coat it. Don’t be a politician.
- Tell it like it is...be truthful, honest, and straight.
- It’s a hard conversation, the “grace” is in the clarity.

Demonstrate dignity and respect:

- Show them that you personally care about them in words and actions.
- Provide 15-20 minutes per person to listen.
- As you never know how someone will react to this life change, don’t judge their reaction.

Demonstrate empathy:

- Use empathy, not sympathy.
- Stay away from “I know how you feel”, as you don’t – you’re still employed...and losing a bonus is not the same (losing share value even less so); there is little a manager can say to make it right.
- Don’t try to find the glass half-full (“Gee, we have great severance plans...”) – for the person hearing it, that just diminishes the value of their feelings.

- This is not your fault; please do not take it personally.
- It is not about poor performance.
- The virus situation is unprecedented...it is about market conditions.
- Be vulnerable: a leader being vulnerable with a team matters.
- Acknowledge people's fears and anxieties...knowing that the emotions of loss, fear, grief and confusion will come to the surface during the conversations.
- Sometimes it's one emotion, other times it's all at the same time.
- Get specific: "I know many are wondering how they are going to pay their phone bills and car payments this month." "Almost all of us know someone or know of someone that has the virus."
- Don't say something in an attempt at being empathetic and compassionate that ends up being used and turned against you from a legal standpoint.

Communicate the Situation:

- Recognize that when you first deliver the message, the affected individual(s) will not hear much of anything past "you're being laid off."
- Recognize that this is an incredibly difficult message to hear for the recipient.
- Make sure you give them well written, clear and concise materials to take home so that they can read through it later.
- Be clear on the business needs changing.
- "Changing our business strategy is not something we take lightly, nor is making the decision to let people go who help enable that business strategy."
- Give them the facts on why you must take this action.
- In this situation that is easier to do because it is clear that as a result of COVID-19 the impacts to our business are significant and require us to adjust our business operations accordingly.
- Watch "us vs. them" language.
- Do not insult the recipient by discharging all responsibility for the decision on someone else, like finance, or the top leadership.
- The manager made some choices, hard as they are, and they should own that.
- The circumstances are often out of the manager's control in a time like the present, but the messaging and ultimate decision-making are not.
- *Avoid getting into "why me" discussion.

Communicate the Details:

- Tell them what you are doing to help ease their transition.
- Severance, outplacement services, COBRA, etc.
- Tell them the logistics and timing of everything.
- Describe the action that needs to be taken.
- Answer administrative questions.
- Describe what type of support can be provided.
- Give them something to read that outlines their package.
- Emphasize the ability to call with any questions.

Offer a reference for future employment opportunities:

- You are smart and talented.
- Provide testimonials and/or recommendations.
- We will support you getting your next position.
- Please stay in touch.
- Thank you for all that you have done.

Post Conversation

Keep the door open:

- You could hire them back at your current firm or new one for the future... because you likely will want some of those laid off back.
- Commit to a weekly check-in with Q&A.
- Publish FAQ's.
- Reinforce that you would look to rehire them when things get back to "normal."

Rally the remaining team:

- Reduce their survivors' guilt.
- Describe what actions were taken.
- Provide plenty of time for questions, empathizing, etc.
- Make no promises that can't be kept.
- Do simple things to say "thanks" weekly.

Provide additional benefits:

- Pandemic Pay
- 100% Coverage for COVID-19 Testing
- Free access to telemedicine until end of year

If your company is doing layoffs right now in response to COVID-19... are they doing so with grace?