

## 5 Key Practices of Effective and Compassionate Layoffs

Reductions in your workforce are never easy and they always create uncertainty and fear. However, you can conduct layoffs in such a way that you build credibility and develop as a company.

*A company and their Brand's values are formed and cemented in difficult times, such as a layoff.*



The story of how a layoff is handled will be shared for years to come. Make sure you are building and protecting the values and assets of the company by conducting each layoff with effectiveness and compassion.

Below are 5 Key Practices of Effective and Compassionate Layoffs

- **Provide your employees information about the business problems and provide some sense that layoffs may be necessary as soon as it is a real possibility.** This will increase the trust of the remaining employees. An employer of choice may not always be able to avoid layoffs. But, they always regard the feelings and fears of employees with demonstrated respect and early information.

Before conducting layoffs, consider all of the other options that an employer has to save money and produce efficiently. Your employees will appreciate your efforts, even if they are unsuccessful.

- **Non-discriminatory practices are a must in layoffs, so who you lay off must be painstakingly determined.** Who you lay off depends on the practices your company has used before and on a variety of legal and ethical guidelines. It is important to be careful to not discriminate against any protected classification of employees and apply the criteria for layoff selection equally across all departments.

It is important to make a business case for each layoff.

Some companies eliminate shifts. Other companies eliminate a position, such as all clerical employees, and shift the work to the managers and staff. Many companies have each department downsize by 10%. Although superficially fair, this can be a less functional method as you may be eliminating essential positions while not addressing the full opportunity in another department.

- **It is optimal to conduct layoffs as close to the beginning of a week as possible** so people can immediately apply for unemployment and start their job search. You do not want is to create a situation in which people are mourning their jobs, fretting over their future, and becoming angry over a weekend when action possibilities are limited.
- **Do layoffs as soon as the business need makes them necessary. Layoffs are not a time to punt; preparation will make layoffs less painful for all.** Chances are that if your company is experiencing problems, employees are aware and worrying anyway. So, make the decision and do the necessary layoffs. When you determine the need for layoffs, a healthy severance package, with outplacement services, make layoffs more manageable for employees.

Outplacement services are a key practice in effective layoffs. Employees who are offered Outplacement Services on average land in a job much faster, and litigate much less against the company. The Outplacement Service also signals that the company is doing the right thing to all other key stakeholders – customers, shareholders and surviving employees, thus, protecting the Brand.

When you consider severance pay, you'll want to devise a formula that provides one to two weeks of pay for each year that the employee has worked for you. You can also consider providing employment assistance or outplacement services.

Depending on your business, and the number of layoffs you are contemplating, the WARN Act provides legal guidance about when employees must be notified of upcoming layoffs.

- **Speak with a qualified employment law attorney with experience in layoffs.** Especially if you do not have recent experience conducting a layoff. It is helpful to start the process by speaking to an attorney to make sure that the company actions are legal, ethical, and compassionate.

*Remember that your employees and former employees may not remember why you were forced to do layoffs but they will remember how they were treated.*

Adapted from *Tips for Compassionate Layoffs* by Susan M. Heathfield from [www.thebalance.com](http://www.thebalance.com)