

How to Handle Mass Layoffs with Respect

Patch employees were recently laid off en masse in a conference call. There has to be a better way.

We all agree that conference calls can be awkward affairs that need to be managed to avoid chaos. But what if that conference call loops you in to a mass layoff?

That's what happened recently when over 100 employees of Patch Media were summarily let go after dialing into a conference call with the COO of hyperlocal news agency's new owner, turnaround firm Hale Global.



Hi everyone, it's [Patch COO] Leigh Zarelli Lewis. Patch is being restructured in connection with the creation of the joint venture with Hale Global. Hale Global has decided which Patch employees will receive an offer of employment to move forward in accordance with their vision for Patch and which will not. Unfortunately, your role has been eliminated and you will no longer have a role at Patch and today will be your last day of employment with the company. ...Thank you again and best of luck.

"There is no easy way to lay off people—whether it's one person or 400 people," says Tracy Benson, founder and CEO of business consultancy On the Same Page, "but there are better ways to do it than in mass emails or conference calls."

Resist the temptation to conduct layoffs late in the day or on a Friday...doing so feeds the perception that leaders are cowardly. Tracy Benson

According to Benson, "It begins with a philosophy that places dignity and respect first—for those being terminated as well as those remaining."

Benson remembers one instance when she worked with a new CEO who was tasked to turn around a manufacturer of bath and kitchen products in dire financial straits. Within his first 60 days of arriving, a reorganization removed several layers of management and a few hundred employees. "The process we implemented was swiftly executed and tightly managed," Benson says. "Leadership became quickly aligned and sensitized to the urgency for change and the organization received a strong signal about the CEO's vision and focus."

PROCESS, PROCESS, PROCESS

As in the case of the CEO tasked with a turnaround, Benson says it's critical to have a well-thought out plan with a highly orchestrated implementation, "an all-hands on deck exercise for leaders and senior managers."

She then recommends having a meeting that prepares managers with the key message and a question and answer document. "It is critical to establish expectations and accountabilities," Benson says.

Timing, she says, is essential. Keep it to just a few hours, but allow ample time for all employees to interact with leaders before leaving for the day, a weekend, or a holiday. "Resist the temptation to conduct layoffs late in the day or on a Friday," she underscores, "Doing so

feeds the perception that the company does not care about its people, or worse, that leaders are cowardly."

EXPECT 100 THINGS TO GO WRONG

David Lewis had a client terminate five employees at once, then allowed them to return to their desks to clear their belongings—for four hours. Lewis, president, and CEO of OperationsInc, an HR outsourcing firm recalls, "One in particular downloaded all of his contacts, wiped his hard drive, and then sent a nasty-gram to all employees and those clients he supported."

He advises shutting all IT access down for those affected when the layoff meeting starts and have boxes ready for those leaving so they can pack up. "Or consider sending everyone home without anything and insist on sending them their stuff by UPS," he suggests.

MISERY LOVES COMPANY

Though Benson subscribes to delivering the pink slip one-on-one when possible, Lewis points out that unless the company has enough trained staff to deliver the message simultaneously there is one advantage to bringing everyone together.

One of his clients brought in each of 20 staffers individually. After delivering the news to the first one, that person emerged from the meeting "crying and slumped" telling all who could hear that everyone was being laid off.

"For the next three hours it was like a bad dance contest, with employees waiting to be tapped on the shoulder indicating they were needed for a 'meeting,' where they too were laid off."

REMEMBER THE SURVIVORS

Steve Valvano, a veteran HR executive says, "The folks who remain will judge how you handled it, because at a moment's notice, they could be next."

Claretha Hughes, professor of workforce development at the University of Arkansas, favors a three-pronged approach to layoffs. In addition to offering terminated employees clear communication and a severance package, Hughes suggests companies provide career development resources to aid with re-employment. "Most companies outsource this to firms that specialize in helping individuals with resumes and career counseling," she says.

For those still in the trenches, Valvano recommends that the leader of the organization deliver a clear message about what happened and what to expect going forward. He says it can be done via video if the company has remote offices, but it's important to stress why those staffers got laid off. "Citing poor performance or not having the needed skills to go in a new direction gives people a way to understand why their friend Joe got fired," he says.

He also recommends the company setting up an internal website with an FAQ about the state of the business that can be accessed by remaining staff. It would also be helpful to have a space for them to post questions anonymously and get answers if they feel they can't ask their immediate supervisor.

Above all, says Benson, "Recognize the impact that losing a job can have on people—economic, emotional, and psychological."

Adapted from article, *You're Fired! How to Handle Mass Layoffs With Respect* by Lydia Dishman