

Keeping the Boat Afloat

A common Twitter subject for the president is America's strong economy. "The economy is great," Trump declared in a tweet on April 23, 2019. Some economic indicators agree. The Unemployment Rate in March was 3.8% and is the 13th straight month at or below 4%. The bull continues to rule Wall Street. The economy grew at 3.2% in the 1st quarter. Yet, the rosy picture is darkened with layoffs such as 3M announcing they are cutting 2,000 jobs.

According to a report by Challenger, Gray & Christmas, a global outplacement and business and executive coaching firm, released in April 2019, "First quarter cuts totaled 190,410, 10.3% higher than the 172,601 cuts announced in the final quarter of 2018 and 35.6% higher than the 140,379 announced in the same quarter last year. It is the highest quarterly total since Q3 2015, when 205,759 cuts were announced. It is also the highest first quarter total since 2009, when 562,510 cuts were recorded."

This information is sobering to your employees. Workers are worried that they will become a statistic. It's easy sometimes to forget that every number is a person. There are faces behind the numbers. In many cases, those individuals affected by a layoff event have an adequate safety net. Companies hire outplacement firms which teach employment skills and coach affected employees through emotional issues associated with losing one's job.

But what about the workers left behind? When Wells Fargo, for example, reduces its workforce by 5%, that leaves 95% of the present workforce still trying to complete the mountain of work which occurs each day. Employers need to be concerned about them as well because they too suffer emotionally, and productivity suffers.

When a layoff happens, the organization experiences destabilization. A feeling of randomness enters in. Loyalty to the company takes a big hit. Workers begin to feel more like a commodity rather than a partner. Employees become risk adverse which leads to less innovation and quality improvement at a time when such actions are needed most. Employees feel justified in spending work time improving their resumes and engaging in other activities to find a new job. Workers who stay suffer survivor's "guilt" which can lead to sadness and/or depression. Feelings of uncertainty. Is this just the first round? Why was I chosen to stay? Will I survive a second cut?

What can you do for your remaining workforce and decrease the destabilization?

Preparation is critical: A layoff is one part of your effort. You need to have your ducks in a row. After announcing a layoff, you need to follow-up the announcement with a retention plan which might include retention bonus or some other types of incentives. No one likes to pay severance. Every employer hopes to achieve reduction goals

through attrition which isn't a bad strategy, but also realize a risk. In every organization, there are levels of employees. During a protracted layoff, attrition will result in losing the bottom third of your employees because they realize they are the ones most likely to go, and they want to leave on their own accord, but you also lose the top third as well. These prized workers leave because they are proactive and leave for greener pastures. The problem is that you need your crème of the crop. They are your best and brightest. You need to slow down and if possible, stop the knowledge drain as these employees leave. They are assets to your company. An effective plan can slow down their departure. If these employees see advantages in staying, they will. A well-thought-out plan works so much better than trying to stop the water after the dam has broken.

Minimize the Unknown: Unless you are in a cyclical business, a layoff impacts your organization. It makes the organization feel unstable and generates a high fear of the unknown. Remember when you were a child and you knew that there were monsters hiding in the dark. Even though every night, you would check under your bed and you made your mother check the closet, you were still confident that monsters would sneak out and get you. That is how your employees are feeling. Even though you have communicated again and again that the layoff is completed, your workforce still feel that the layoff monster is hiding and will return. "It happened once, it will happen again," is their constant concern. As they read about other companies, their feelings intensify. How do you decrease this fear of the unknown? Communicate openly and honestly. Answer every question no matter how trivial and no matter how many times it has been asked. An unanswered question can become a wildfire which burns throughout your organization. Communication from the CEO through all levels of management needs to be at the proper level of understanding. Don't speak "businessese" to your employees. Such businessese-laced communications are perceptive that you are hiding the real news. Communication is one of those "damn if you and damn if you don't" situation. If employees believe that you are communicating little, they perceive that you are hiding something. At the same time, if other employees think that you are over communicating, the perception is that you are trying to over compensate and you are hiding the truth. If you are going to error, then error on the side of too much communication. Be sure to use a variety of communication channels ensuring that communication is both formal and informal. You can use channels such as E-mails, Telephone Broadcasts, Newsletters, Team Meetings, Impromptu Stand-Up Meetings, Snack Sessions, Skip Level Meetings, and "One on Ones".

Business as Usual is a Myth: The belief that after layoffs take place it is business as usual is false. Empty workstations. Empty parking spots. Joe who always sat at the end of the table eating his peanut butter and banana sandwich for lunch isn't there anymore. You need to realize that life has changed for your employees. Recognize that fact and build on it. Reengineering needs to go hand in hand with a layoff. The worst thing you can do is reduce the bodies without reducing the time it takes to do the work because now each member of the remaining workforce is doing the work of two or three people. Isn't that a real kick to employee's morale? You can't wait for the layoff to start you reengineering efforts. Your employees need to believe that the layoff is a part of the effort to reinvent yourself – an effort to improve yourself. You need to give your

employees something to hang onto. Don't whitewash the impacts but build a theme for them. Nature offers examples such as how caterpillars turn into butterflies. Such a theme helps to paint the whole picture for employees. It gives understanding to the layoff action.

Allow your Employees to Feel: The effects of a layoff can be likened to the effects of a death. In the minds and hearts of your employees their former colleague, Bonnie, has died. They no longer are treated to home cooked blueberry muffins on Groundhog Day. They will no longer have to put up with endless stories about her perfect grandchildren. They no longer see Bonnie at meetings, in the break room, or at the summer party. In a real sense, Bonnie has died, and your employees need to pass through the stages of grieving. Allow them to feel sad about losing a co-worker. Don't react when comments are said which sound discouraging. Allow conversations around the printer. One reason we have funerals is to give grieving people a sense of community. A grieving person needs to know they are not alone. Often when feelings are shared, they seem to lessen their freezing impact on people. As feelings are shared, they become lighter rather than deepening into the soul of the worker. The effects of such deep feelings have longer and stronger impacts. While allowing people to feel, they need to do so within reason. You need to provide fences. If things go too far, management needs to step in and correct misunderstandings and squash false rumors. Allow grieving in a large fenced area.

Lead with Wisdom and Enthusiasm: From the time a potential layoff is announced through the layoff and after, solid leadership is critical. While such leadership is needed throughout the organization, such leadership is most needed at the lowest levels. Effective leadership at the Manager/Team Leader can minimize the effects of the layoff and shorten the recovery time. Leaders need to demonstrate two essential qualities. They need to lead with wisdom and enthusiasm. Leaders need to have the wisdom to act when they need to and stand on the sidelines when appropriate. During a layoff, everyone is on edge. It is easy for a leader to back off and become apathetic. If disciplinary action is taken, leaders need to have the wisdom to do it and not delay such actions out of a sense of fear or duty to that individual. Leaders need to take such action because they have a duty to the greater populace. As mentioned earlier, a leader needs to put up fences, but they need to have the wisdom to place the fences appropriately. They need to put the fences where they will do the most good.

The other quality is enthusiasm. Without a doubt, enthusiasm will be in short supply during and after a layoff. Leaders can't be like Nero who fiddled while Rome burned. They need to be aware of the situation, but they also need to be excited about the possibilities the situation brings. Somehow, they need to pass on that enthusiasm to their direct reports. A key is to be genuine. Workers will soon see through a painted smile. This is not a time for absentee management. Workers need to see you and hear from you. Which is tough because chances are you are spending more time in meetings. Remember the famous painting by Emmanuel Gottlieb Leutze of George Washington crossing the Delaware River. He is standing up in a small boat for all to see. I doubt that he did so, but the painting shows what General Washington did for his

troops. In the darkest time of the War for Independence, he rallied his troops. He stood tall and encouraged them to move forward. During the darkness of a layoff, direct leaders need to do the same. They need to rally their remaining workforce under the banner of change and give them hope of a better world. Direct leaders need to lead. You can't push a person up a mountain. You need to climb ahead and pull them up to the summit. Direct leaders need to steady the ropes for their direct reports. They deliver the vision to front line employees. They are painters who give color and life to the vision created from the C suite. There are a lot of responsibilities on the shoulders of leaders. Remember they are human too. Depending on how deep the cuts, they can be feeling the same way as their direct reports. All leaders need an outlet for their feelings. Create ways for them to share and unload. By so doing, they will be able to lead with wisdom and enthusiasm.

Manage the Perception: This one is real because perception is in the eye of the beholder. But you can help manage it by thinking before acting. I am aware of a situation where much of the non-peak work of a telephone center was being out-sourced off shore. It was a good business decision. As part of the transition effort, members of management team went to the country and met with their counterparts in the out-sourced company. While most of the time was spent in meetings, there were also socializing times including karaoke and sightseeing. Such actions made business sense. The problem occurred after the management team returned. To get the remaining employees to know the employees of the out-source company, snapshots were displayed on posters. While some showed employees from the out-source company, there were other pictures of current management acting like tourists. Think for a moment. If your employees are feeling depressed or angry over the layoff and now, they see a Team Leader having "fun" half-way around the world, what's the perception? This perception is not the lasting impression you want to leave with your employees who are grieving over the loss of their colleagues and feeling their own job insecurities. Remember, whatever an employee feels or perceives is real to that employee. The watchword here is to think before you act. When working with perception, an ounce of forethought is far better than a pound of trying to explain after the fact.

Layoffs are never easy. The environment is charged with sadness and insecurity. The strategies I've outlined will help your organization achieve production quotas, offer exceptional customer service, and envision a future. In short, they will help keep the boat afloat.