

Managing the Aftermath

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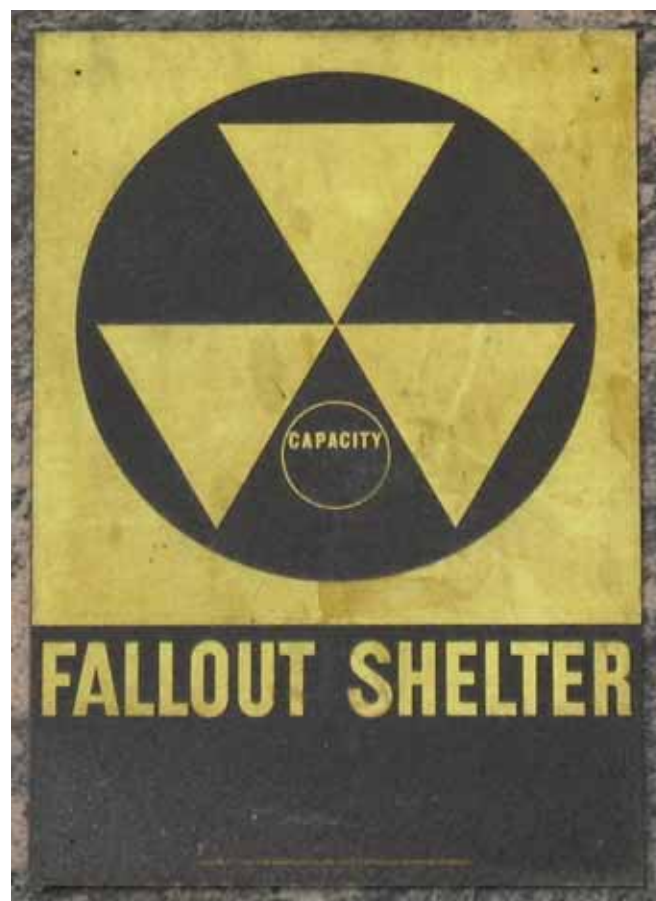
Leadership Matters! Ezine Sign-up

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I see this article as kind of a companion piece to my previous comments on *Executing a Reduction in Force* and in some way a bridge to other articles like *The High Cost of Presenteeism*. I hope most of you reading it will never have the “opportunity” to benefit from most of what I share here.

If we take a look at some basic facts:

- We are in the worst economic circumstances we have faced in almost 100 years.
- It is forecasted to get worse before we hit bottom.
- There are many organizations who have already executed large scale reductions in force and they will be followed by others.
- Layoffs, reductions in force, or whatever you want to call them cause anxiety, trauma and lost productivity.

In my previous piece on Presenteeism I cited two different studies, one from Cigna Healthcare and the other from the American Mental Health association.

The Cigna study talked about the fact that we lose 5 to 12% of our productivity **annually**. The estimated costs of that productivity loss at \$200 Billion annually, those losses were projected prior to our current economic situation and resulting layoffs. I would venture to say the picture has not improved.

For the purposes of this article I am going to assume that the reduction itself was carried out effectively- I want to make some suggestions about considerations for the “aftermath”.

I want to explore some suggestions in four distinct areas:

- **Management Actions**
- **Counseling/Support**
- **Communicating/Information**
- **General Steps**

Management Actions

One of the most important steps to take following a reduction is to **increase the visibility and accessibility of management**, especially top management.

Marcus Buckingham, author of *First Break All the Rules* and other management “bibles” states-

“ Today’s most respected and successful leaders are able to transform fear of the unknown into clear visions of whom to serve, core strengths to leverage and actions to take. They enable us to pierce the veil of complexity and identify the single best vantage point from which to examine our complex roles. Only then can we take clear, decisive action.”

Marcus Buckingham, *The One Thing You Need To Know...About Great Managing, Great Leading, and Sustained Individual Success*

Fear of the unknown is especially critical after an organization has faced a reduction. Employees want to see their leaders exhibiting confidence and sharing the strategy for the future. Hiding out or “turtling” is exactly the wrong strategy.

Another key step is **maintaining management accountability**. This is a time where excellent human resources management skills need to be recognized and rewarded.

Front line management is going to be where you succeed or fail. If they remain “on message” and do a good job retaining trust you will move forward. If on the other hand they obfuscate, threaten, or just manage poorly your issues will be exacerbated.

You need to **rebalance the work**. The reality is that if you reduce your workforce by 10% unless there is some technological intervention you are not going to produce the same level of pre-layoff activity. That should have been acknowledged before executing the reduction, but simply pushing people harder is a short term strategy without a concrete plan.

You should develop an **early warning system**. Human resource planning should be an integral part of your strategic planning. It should include skills and labor forecasts and be updated based on your marketing intelligence and sales forecasts. You should also identify top performers and be sure and “re-recruit” them. Don’t assume that having a job is sufficient reward.

Manage your labor expenses.

Replacing employees with contractors or consultants may or not be a cost saving, especially if they are the same employees you just laid off. You can also create a “second class citizen” syndrome that undermines morale and

teamwork. I am not saying don’t outsource or use contactors or consultants, I am saying don’t just move cost from one GL to another!

Don’t freeze hiring! You may have product lines are departments that require staffing or growth. All skill sets are not transferable. Funding and staffing key market segments or projects says we are committed to the future; we are not “hunkering down”. Across the board hiring freezes may show consistency, they don’t demonstrate leadership.

Acknowledge those who left. Unless everyone who left was a performance problem that you didn’t have the guts to deal with acknowledge their contributions. You may want them back! They will also be key messengers to potential applicants and customers. I have seen lawsuits occur when a manager bad mouthed a laid off employee to current employees, word gets around.

Counseling/Support

I am a fan of counseling to multiple constituencies. I can share with you that counseling is much cheaper than litigation. I am also not just talking about outplacement services.

Provide counseling to **survivors**. Survivors are those employees who didn't get laid off or reassigned. Many times they suffer from "survivor guilt". They may also be stressed about what happens next, are we done? Sometimes using an objective third party like your Employee Assistance Plan to address these issues and to share the company's efforts to treat "departed" employees fairly helps minimize this issue. Give your managers training on recognizing the symptoms of anxiety and depression.

I think it is good strategy to **consider the family** as well. When I talk about family I mean the family of both laid off employees and "survivors". Job loss happens to the entire family. Anxiety happens to the whole family. Remember that \$200 billion, do we really need to increase it?

Counsel the "caregiver". In most law enforcement situations where a fatal shooting occurs mandatory counseling is required. We could learn something from that. People who were intimately involved with the event often experience significant stress. I am referring to the managers who actually had to lay the person off or the HR person who had to communicate with them. Many times we just expect them to "suck it up". I can tell you from personal experience that terminating an employee for a non performance reason is one of the most difficult things I have ever done, and I am an HR professional with thirty years of experience.

Providing Information

Over-communicate. This is not a time to be stingy with relevant information. Employees are going to want to hear that the cost cutting objectives were met, that the reductions are over. They will want to know who was affected. They will want to know what the direction is moving forward. Hiding in the Executive Suite and cutting the flow of information increases anxiety. Be clear with managers about what can and cannot be communicated. Hiding behind "policy" is not a great strategy. Refusing to discuss certain things to retain employee privacy or maintain confidential information is an acceptable, understandable reason to most employees. A blanket policy statement is not. The receptionist who tries to put calls through only to find the person is gone feels humiliated and un-informed.

Manage your image and external communications. I recommend that organizations have a focal point in dealing with the press. I also recommend that communications with key customers occur proactively not reactively.

Your handling of the reduction in terms of severance, assistance and other areas can also salvage your reputation as a great place to work.

“Employees will tolerate you eliminating their job; they won’t tolerate your taking away their dignity.”

“Former” employees can be a great source of referrals and affect how customers see you. If they continue to speak positively about you that conveys a strong message about your corporate values and “brand”.

Communicate with remote locations. If you have people working in field locations or satellite offices make sure they are in the loop. That is where many communication “disasters” occur. Here is another tip- government agencies looking to evaluate your compliance rarely show up at headquarters. Don’t cause these folks to feel further isolated.

Other Actions

Some of the other actions I recommend include:

Manage litigation or complaints crisply and efficiently. In the event you experience a lawsuit or complaint from a government agency be responsive and don’t dawdle. They are frankly a time consuming pain in the ass. By having good processes and documentation you can resolve them quickly and efficiently. Once again you want the focal point and process identified proactively. Prepare for the contingency.

Prepare for the worst. Workplace violence can occur. Look for potential problem spots and employees and have contingencies in place. One of the best is an excellent communication process for affected employees that minimizes escalation. Managers need to be trained in **your process**.

Do not assume they know how to do this effectively without training. I recommend that there always be two people in a termination interview, this both provides a witness and it eliminates a one on one confrontation. This is also why you need the front line supervisor or manager involved; they know their employees and may be able to anticipate reactions.

Summary

Quite frankly my favorite “other” technique is good organizational planning. By managing your human resource and performance management strategies you may be able to anticipate and negate the need for an involuntary workforce reduction. It requires good forecasting, good performance management and open communication.

The key is to remember that after the layoff has been completed it isn't “over”. The relationship with your employees has changed forever. Your actions over the following weeks will determine whether you took appropriate action and strengthened your core or you damaged your foundation.

*Mark F. Herbert is a former executive, speaker, author, and principal in the consulting firms of Mark F. Herbert & Associates and New Paradigms LLC. He recently published his first book, **Managing Whole People- One Man's Journey** that is available on his website www.newparadigmsllc.com or at www.amazon.com. He has helped organizations including Honeywell, Inc., Spectra Physics Scanning Systems, Mobius, and Oregon Community Credit Union build new “partnerships” with their employees. He can be reached at Mark@newparadigmsllc.com.*