

T talent management

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Life After Layoffs

Restructuring can be stressful,
but it also presents a unique
opportunity for positive change.

Life After Layoffs

Douglas Matthews

Workforce restructuring and subsequent reductions are facts of doing business, but however common the practice in these turbulent times, it requires sensitivity, tact, preparation and a formal process.

A February 2008 study from Right Management found more than 50 percent of North American employees have changed jobs because of downsizing or restructuring. Whichever process is on-task, separating employees can be an anxiety-filled experience for the people being let go and the talent managers delivering the news. Further, the decision to downsize is fraught with potential legal, public relations and business consequences. The challenge for talent managers is to handle the process appropriately for those who need to be let go, while holding on to talented and high-potential employees.

Whether planning for a restructure or reducing the workforce, talent managers have three considerations:

1. Separating employees from the organization.
2. Helping those who remain to manage change effectively.
3. Redeploying employees to new roles in the company.

Separating Employees From the Organization

The most influential factor in the decision to seek legal or other redress against an ex-employer can almost always be traced back to the separation process. The manager's role is paramount. A well-handled separation meeting means the manager achieves the following objectives:

- Communicates a decision.
- Provides facts clearly and sensitively.
- Presents the decision as irrevocable.
- Offers support and compassion.
- Encourages the employee to take positive actions.

According to September 2008 Right Management research, 88 percent of companies conduct individual separation meetings, and 84 percent bring in an on-site outplacement consultant. Three out of four companies provide training to managers on how to conduct a separation.

Before the Meeting

Time should be set aside to prepare what will be said: A script is not out of the question. The manager should an-

anticipate a variety of reactions and prepare appropriate responses. A well-thought-out and well-prepared message will provide the individual or group of individuals with concise, succinct information and help all employees feel they were treated fairly and consistently.

The severance package must be carefully planned and ready in advance of the notification. Prepare a letter detailing the separation package, including the amount and terms of separation pay, continuing benefits and any outplacement or other resources available. Also, line up resources to conduct the meeting, such as a meeting space, a representative from HR or an on-site outplacement consultant.

Conducting the Meeting

Track the following process for conducting the separation meeting.

1. **Open the meeting.** Choose an appropriate time and a neutral setting. The separation meeting should last no longer than 10-15 minutes, but allow enough time to deal with any issues, including unforeseen reactions. The meeting should be conducted in private away from the individual's immediate work area to avoid embarrassment.
2. **Announce the separation.** Define the separation clearly and succinctly. If necessary, plan and rehearse how to announce the separation. Present the decision as definite and final in a statement, and repeat as necessary. Present reasons so they can be clearly understood and absorbed. Remember to show compassion.
3. **Outline benefits.** Explain the separation benefits and outplacement assistance available. These normally include severance pay, continuing benefits, stay bonuses and special help that may be available during this period. Give the individual a letter outlining the specifics of the separation package along with contact information so the employee can follow up if he or she has questions.
4. **Listen and support.** Give the individual time to express him or herself. Pay attention to body language, and maintain eye contact. Allow enough time for the



SEVERANCE PRACTICES VARY THE WORLD OVER

- Severance and termination policies are primarily governed by a combination of company policy and local/national law (62 percent).
- Most companies (62 percent) are required by law to give a certain amount of advanced notification to the separating employee.
- More than half (58 percent) have a formal, written severance policy.
- Eligibility for severance differs by region. More than half of companies in the Americas (54 percent) have no minimum requirement, as do few companies in Europe (32 percent) and Asia Pacific (34 percent).
- Top executives earn the most severance per year, whether voluntarily (3.39 weeks per year) or involuntarily separated (3.52 weeks per year).
- Severance is most frequently offered throughout the world as a lump-sum payment.
- More than half (56 percent) of companies put a cap on the severance calculation.
- The most common benefits in a severance package are assistance programs such as outplacement and financial planning, continued benefits such as health care and financial compensation and, to a lesser extent, company resources such as an office or car.
- Seventy-three percent of terminated employees are required to sign a waiver before they can access severance benefits.
- Although not legally required, most companies (73 percent) provide outplacement services.

Source: Right Management, "Severance Practices Around the World," 2008

individual to react and raise questions. Offer support, but not in terms of reversing a decision. Handle the reaction with appropriate understanding, but return attention to the next steps in the separation process. Be aware of company policy on providing references.

5. Transition work responsibilities. Give thought to the transition of work if the individual is separating immediately. It is important the manager is clear and definite with the transitioning employee about how this transition is to take place. If the individual is staying on for a specified period of time, the separation manager should clearly communicate work requirements and expectations.

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6. Connect with outplacement assistance. Introduce the person to the on-site outplacement consultant who can review career transition assistance.

Managing Change for Those Who Remain

During times of change, such as that experienced from an organizational restructuring, people protect the past and defend the status quo. Key characteristics of resiliency include creativity, eagerness to learn, adaptability and courage. Resiliency enables people to propel change forward and focus energy on the future. Employees who excel in change create dynamic and empowering states of resourcefulness.

Recognizing and confronting the personal resistance to change following a significant event is the first step in the discovery process leading to opportunity and growth. Gaining perspective on the change process allows remaining employees to approach change with greater ease, flexibility and determination. The goal of each employee should be to clear the hurdles of perceived limitations around "what was," in order to launch the possibilities of "what could be."

Everyone needs to be engaged in the change process to move to the desired end state:

- Senior leadership needs to ensure stakeholders understand the change process, know the current level of motivation and morale, and be prepared to drive organizational strategy and change. Talent managers can help them by measuring existing levels of motivation, morale and understanding for change, and identifying blockers and enablers that impact successful outcomes.


- Managers need to be prepared to lead employees through change-strategy implementation. Talent managers can help line managers by providing training to ensure their enhanced competence and confidence will keep employees motivated during uncertain times.
- Individual employees need guidance to get them aligned and engaged with the change strategy toward more effective change implementation.

Talent managers should establish a communication plan, implement training, provide support for employees and develop a retention strategy.

Redeploying the Workforce

Redeployment means finding ways to leverage the skills and talents of existing employees and reassigning them within the organization. Implementing a redeployment program is complex, but it can help retain valued talent by giving them new and challenging opportunities, avoid the high cost of turnover and leverage the internal knowledge transfer and skills required to keep a company competitive. Consider following these best practices:

- 1. Align all levels.** Align all levels of the organization to the goals for the redeployment program to ensure managers and employees understand the objectives, purpose and anticipated results.
- 2. Create a portal.** There should be a mechanism through which employees can post profiles and resumes, and view all available positions. The portal also should enable the organization to track the process, measuring how many candidates have used the system and what jobs they've landed.
- 3. Provide career resources.** Give employees resources to help them learn effective interviewing techniques, how to network in the organization and write a resume, as well as identify their interests, values, needs and strengths so they can evaluate what jobs and roles might effectively use their skills and add value to the organization.
- 4. Identify champions.** Candidates looking for new jobs within a company may have difficulty understanding what the new roles require and how to connect with the appropriate hiring managers in those areas. Consider assigning redeployment coaches in various functions or geographic locations to assist employees in understanding what different jobs entail so they can make more informed decisions.

Navigating a workforce restructuring is tough. But if handled well, the initiative can send a positive message to the remaining employees. It is in an organization's best interests to take care of departing and remaining employees, as it will affect future recruiting and retention efforts and elevate the organization's brand. 

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