

## Considerations When Downsizing

When employees are faced with losing their job here are some typical reactions:

- I'm a failure.
- How will I/my family survive?
- I am nothing without a job.
- My family will think less of me.
- I must have done something wrong.
- What do I do Monday morning?

Of course, these sentiments may not be actual but nevertheless many feel this way. So given that you are about to profoundly influence someone's life, how do you go about doing it?

1. Determine if there are any other alternatives. Laying off personnel should be a last resort. If you let key employees know what is going on and look for their input on strategies to improve things, it can be surprising how better solutions come forward. Of course you have to manage the rumor mill.
2. The next consideration is to decide who you are going to let go. Develop the strategy which includes the method for choosing who will go. Is it based on performance, certain departments have diminished roles due to changes in the business (eg. outsourcing), last in first out, first in first out or do you let the managers choose who in across the board decisions?
3. Give as much notice as possible. Often companies are concerned about the potential disruption in their business when a number of employees know they are leaving. From the employees' perspective time gives a period of adjustment. Time to get out into the market. Time to heal. If they have a place to go while their minds adjust, it just eases the transition.
4. Let the employee know why. This will help them to understand the decision. They will always wonder why and assume the worst if you don't let them know the real reason.
5. Give them a fair severance package. One upset customer will tell 12 others about their experience and will sway them from doing business with you. Those will tell others as well. With an upset employee this number is multiplied because of the closer relationship and dependency between an employee an employer. So treat them well, Leave a better taste in their mouth when they leave. You may want to hire them back or someone they talk to.
6. Treat everyone with dignity. There is going to be some degree of resistance no matter what. Many employers amplify this through neglecting to treat the departing employees with respect. If they have to be walked out, explain why. Give them some control, for example as to when they leave the workplace. They will talk to surviving employees. This whole exercise is under a microscope even if you are trying to keep it quiet.
7. Be attentive to the concerns and needs of surviving employees. Often the survivors are overlooked. Rumors start swirling and people may become so absorbed by the fear of losing their job that they become distracted from their day-to-day work duties and start to look elsewhere for work.
8. Lessen the chances of litigation. Give them outplacement services. Many people are so shocked that they don't know what they will do next. They need someone to talk to-some direction. The faster they get moving forward the less likely they are to litigate.
9. Look for a program that encourages entrepreneurship. This is where most of the new opportunities are and will ensure that there are no current gaps in their resume. Many employees have some level of fear when it comes to starting a business but the reality is that once they understand what is involved that fear goes away. Is it easier to land the first customer or get the first job offer? For most it is the former.

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