Boosting Morale After Layoffs

Over the past few months, organizations of all sizes have announced layoffs, downsizing, or restructuring. Whatever they’re called, there’s more work to be done once the reduction in force is over. Many organizations focus on helping the downsized employees move on through exit interviews, out-placement counseling and severance packages, but focusing on the remaining employees is equally – if not more – important.

That’s because when workers are affected, their employers are too. According to a recent survey by Challenger, Gray, and Christmas, Inc., companies undergoing layoffs face tough challenges in keeping their remaining employees engaged and focused. Fifty-four percent of human resources executives cited “maintaining employee engagement” as their biggest challenge in a post-layoff environment. Another key concern, according to 23 percent of respondents, is easing anxiety among remaining workers that additional job displacements might be imminent.

“Layoff survivor syndrome,” a condition coined by experts, leaves employees feeling a wide array of emotions. Some feel angry; some fear they could be next; and others feel relief and even guilt about being spared. It’s important to realize that this is a period of adjustment – and that everyone experiences change in different ways. People need time to let go of the past, adjust to the present and begin to focus on the future. During this transition, there are steps you can take to proactively manage the change and boost your employees’ morale and engagement.

Customize Communication
“When things seem to be coming apart, the normal communication links break down just as suspicion and mistrust begin to predominate,” says John Shepler’s Managing after Downsizing. Without open and honest communication, rumors can ignite – crushing morale and engagement. Let employees know what is going on. By keeping employees informed as changes occur, you allow them to become part of the change process. They will be more accepting of the change if they feel they are part of the process, as opposed to victims of the process.

Re-emphasize Vision, Mission and Values
Following mass layoffs or restructuring, your organization’s mission and vision for the future will likely have changed. Take time to discuss your new course and create a plan of action. Set specific and realistic goals for employees. According to HR expert Susan M. Heathfield, who writes for About.com, Managers must “recreate the work environment, so that people build their self-esteem, find work satisfying, and achieve at higher levels. The foundation for this progress is to re-emphasize the organization’s mission and the values.”
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Rebuild Trust
No matter the size of a layoff, once it has occurred, trust is damaged. It is crucial to work hard to restore employees’ trust in the organization’s leadership and communication vehicles. Transparency is a key component to building trust. Dave Schrohe, a managing director at Citigroup, explained, “When there is uncertainty, you don't need to add more uncertainty,” he says. Employees “should know as much as possible.” And, he says it's critical to stay visible, not “locked up on the executive floors.”

Rebuilding trust can also boost morale. To speed this process, Workforce.com advises managers to talk with employees and “emphasize the value of their proven skills and the contributions they are making, but take care not to imply that their employment is guaranteed.”

Recognize Survivors
After a layoff, employees may have heavier workloads, different jobs to learn and fewer resources to accomplish the necessary tasks. Whether it's at a town hall-style meeting or a smaller staff discussion, identify people who have gone above and beyond. Failing to recognize high performers can result in the loss of valuable employees. According to Harvard Business Review, “Research […] shows that employees who perform better and have more training, education and ability are the most likely to quit if dissatisfied. Provide support and encouragement, and help them see that downsizing opens new opportunities and channels for promotion.”

Promote a Good Work/Life Balance
When times are tough, employees don't always feel there's room to focus on anything beyond problems at work, says Mr. Schrohe. “You don't want to create a crisis at home,” he says. While it isn't a formal policy at Citigroup, he tells his employees: “When you can find the time, take the time.” During a layoff, differing amounts of change may be occurring in other areas of employees’ lives. It’s important to acknowledge the turbulent environment and encourage employees to make good decisions to maintain a positive work/life balance. Promote your company’s Employee Assistance Program (EAP) for work and personal issues they may not be able to handle on their own. Let your employees know there are resources available to help them navigate through tough changes in their lives.

Following through after a reduction in force is critical to maintaining an engaged and motivated workforce – your organization’s key asset as the business environment recovers. ADP Resource and your HR Business Partner are here to assist you as your organization’s HR situations change, from downsizing to growth.

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