



# The Definitive Guide To

Conducting Layoffs & Effective Outplacement

# CONDUCTING A REDUCTION-IN-FORCE (RIF)

Conducting a Reduction-in-Force (RIF) is one of the most difficult actions for business leaders and HR. It is never taken lightly and can cause a huge negative ripple-effect if not managed well. We have seen RIFs impact performance and culture for years after the event, with stories of the RIF shared with multiple generations of employees.

Unfortunately, RIFs happen. Whether one or one-thousand are impacted, each reduction in force affects each employee, their families, friends, and community. The decision may also have an impact on the remaining workforce, as they may feel uncertain and disengaged when they see their former colleagues leave.

While a decision to execute a reduction in force is difficult, it may also be necessary.

## **The business factors weighing in on this decision can be:**

- *Hitting financial targets*
- *Achieving synergy savings after a merger or acquisition*
- *Addressing employee performance issues*

## **Providing outplacement services can:**

- *Manage your brand reputation*
- *Reduce legal exposure*
- *Help future talent acquisition*
- *Create potential brand ambassadors*

All of us at CMP hope that Reduction in Force 101: The Definitive Guide to Conducting Layoffs and Effective Outplacement will provide you with a pragmatic summary of all you need to know in order to conduct a compassionate and effective reduction in force.

*Please note: The information provided in this e-book should be regarded as guidelines for best practices. CMP asks that you also consult with existing protocols and legal counsel before making any final decisions.*



# WHAT IS OUTPLACEMENT?

Outplacement is a service provided by employers to their displaced employees.

## **Outplacement services usually include:**

- *Career coaching in areas such as interviewing, networking, and job search support.*
- *Resume or personal branding services.*
- *Social media guidance (LinkedIn, Twitter, Facebook).*
- *Emotional support and resiliency training for impacted employees, remaining employees, and managers.*
- *Career management online tools to help self-navigate their job search. Networking assistance and potential introductions.*
- *Other resources to reduce the time it takes for employees to land a new job.*

## **The goal of outplacement is to help displaced employees find new jobs.**

Academic research published in the Psychological Bulletin “The Effectiveness of Job Search Interventions: A Meta-Analytic Review” shows that employees find employment 2.67 times faster when outplacement services are provided versus job seekers who do a job search on their own.

## **The investment in outplacement will be a smart one for employers because:**

- *It lowers unemployment*
- *Management of their brand reputation*
- *Active talent pipeline of new candidates*
- *Lower litigation cost risk*



# OUTPLACEMENT PROGRAMS

Workforce reductions are a challenge. They disrupt careers, impact morale, and put a strain on corporate resources. Whether your firm is large or small, we can help you design a cost-effective outplacement program that will offer your employees a fast career transition process.

Outplacement programs vary widely and can be structured according to the organization's budget and the employee's level in the organization. The elements of any outplacement program will then consist of the number of consulting hours provided and the period the candidate will have access to the career management technology tools.

Most executive-level employees will receive outplacement programs with the longest duration because they will require more time to find re-employment. Less senior employees will receive shorter outplacement programs because they will likely have shorter job search to re-employment timelines.

## **The common elements in all outplacement programs are:**

- *Providing candidates with career coaching from a qualified career consultant.*
- *Access to an online set of technology tools that provide 24/7 job search assistance.*

## **Key Points to Consider When Selecting an Outplacement Program:**

- *All programs can be tailored in cost and length of term to meet the needs of your budget.*
- *Attention should be paid to how local, national, and international support is provided so that consistent quality control takes place.*
- *All engagements need to include customized reporting, providing key metrics on the landing rates of all employees.*



### **Types of Programs to Consider:**

- *Individual: programs that can cover all levels of your organization*
- *Group/Workshop: presentations for larger notification events—can be coupled with individual programs*
- *Virtual: delivered via phone or video connection*

### **Cost Elements for a Program:**

*Determine employee classifications that will receive an outplacement program.*

### **Example:**

*Individual Contributor, Manager, Director, Vice President, Senior Executive*  
*Consult with your outplacement provider (we recommend CMP) to determine the specific programs and costs that will serve each of the employee classifications.*

# REDUCTION IN FORCE (RIF) PLANNING PROCESS

After completing the financial analysis and setting a cost savings objective, each leader and manager involved will need to perform a complete review of their teams to determine the best strategic options for helping the organization right-size to the optimum number.

## **Some considerations are:**

- *Redundancies and overlaps in responsibility that can be removed by reallocation of resources.*
- *Addressing needed changes in underperforming business units or individuals.*
- *Outsourcing functional areas to a third party provider.*

In all of these scenarios, ultimately there will be a list of names of employees who will no longer be working for the organization after setting the notification date. Each leader or manager will need to be involved in the final decision.

CMP recommends doing a legal audit to identify any potential legal ramifications emerging from the RIF. The audit should identify all risks, quantify any potential financial impact, be reviewed by legal, and shared with senior management.

## **The audit will determine if there are any individuals in protected classes with potential liabilities, including:**

- *Employees with a disability or regarded as having a disability.*
- *Employees over 40.*
- *Employees who are minorities (race, national origin).*
- *Employees with a recent grievance against the company.*
- *Employees on FMLA or recently returned from FMLA.*
- *Employees on WC or recently claimed WC.*



The legal audit should then be followed up with an adverse impact audit (under attorney-client privilege) where you can have an attorney provide a risk assessment. No RIF is without risk; therefore, employers must assess the level of risk against their confidence in the documentation created to support these decisions.

**These factors are:**



Severance provided to each employee



Any unpaid PTO (if applicable)



Medical and dental continuation until (date)



EAP program for employee/family



Outstanding 401K loan payoffs



Accrued but unused vacation



Redeployment options



Outplacement/Career Transition Assistance by CMP



# OUTPLACEMENT PROGRAMS

A complete cost/benefit analysis will need to be completed to determine all of the financial factors that will be part of the RIF.

**The executive team should then create a concise business case and messaging that will explain the purpose of the downsizing event to all of the organization's stake holders:**

- *Employees*
- *Shareholders/Investors*
- *Community/Government*
- *Customers*

CMP also advises organizations to review the guidelines for the WARN Act in the state that they do business. The Worker Adjustment and Retraining Notification Act of 1988 (the "WARN Act") is a US labor law that protects employees, their families, and communities by requiring most employers with 100 or more employees to provide a 60 calendar-day advance notification of plant closings and mass layoffs of employees, as defined in the Act.

CMP also recommends that you schedule a planning meeting with your CMP Client Engagement Director to review the notification event budget, timelines, and any other factor that will be needed to ensure a flawless notification event.

**A couple of weeks before the notification event, a meeting should be scheduled to review:**

- **Information Packets:** *is all of the information complete and accurate?*
- **Schedule:** *are meeting rooms set and everyone's calendar synchronized?*
- **Messaging:** *are all the scripts and FAQ sheets ready?*
- **Communication:** *is employee communication and PR ready?*
- **Resources:** *will EAP, Security, or someone from CMP be needed on the notification date?*

Advance planning will make the notification event run smoothly.



# THE NOTIFICATION PROCESS

A notification meeting, or Reduction in Force (RIF) notification, is the meeting where the employer gives the employee the formal notice that their employment has ended.

Needless to say, this type of meeting can become a major problem for the employer if it is not well-managed.

## The organization objectives for a problem-free notification meeting should be:



*To conduct concise, yet compassionate, separation meetings in a respectful manner that inform employees that their jobs are being eliminated and they are being separated.*



*To plan and effectively manage the communication process.*



*To protect the corporate reputation and employer brand for future talent acquisition.*



*To minimize the negative impact on employees leaving and staying.*

## To meet the company objectives, the notification meeting objectives for the employee are:



*To be certain that the employee hears and understands that their employment has ended.*



*To make the process as dignified and empathetic as possible.*



*To provide the complete set of information the employee will need to know during their transition.*



*CMP also recommends that scripts and pre-written e-mail communication be provided for all managers so that they can deliver a uniform message to all of the remaining employees.*

*Communication is essential when a workforce reduction takes place because rumors and unsubstantiated concerns can quickly emerge and cause workplace disruption.*



# PREPARE TO ADDRESS TOUGH QUESTIONS AND EMOTIONAL REACTIONS

**The separation process can be emotional for all parties; prepare for this.**



*Try to anticipate questions ahead of time and prepare the answers to those questions. A set of frequently asked questions and proposed answers are provided in this guide.*



*Take all of the necessary measures to have the notification meetings in a private place.*



*Select a time early in the day and on a day that is not immediately before a weekend, holiday, or scheduled vacation for either the employee or manager. You don't want employees who think of questions after a notification meeting to have to wait over a holiday, a weekend, or even overnight to get answers.*



*Be considerate of significant dates for the employee (e.g. family celebrations, religious holidays, employee's birthday, etc.).*



*Allow enough time to complete the meeting without being rushed, including giving the employee time to ask questions. The meeting should be about fifteen to twenty minutes in length.*



*Consider having an appropriate person (e.g. a receptionist, department secretary, or assistant) who is not privy to the subject of the meeting notify the employee of the meeting. Having a designated contact person allows you to introduce the purpose of the meeting in a private, controlled manner.*



*Unless you know the employee very well, it is a good practice to also include a human resources representative during the meeting.*



*Assess the impact of the employee's departure from co-workers and clients.*



*Seek appropriate coaching from Human Resources, Employee Assistance Program counselors, or CMP on how to prepare for the notification meeting.*

# THE NOTIFICATION PROCESS

Employee notifications should be done 1:1 in a private setting. Typically, the employee's immediate supervisor or the department manager conducts the notification meeting. Do not have someone who the employee does not know or has never spoken with conduct the meeting.



*We strongly advise to stay on the message and not get distracted by small talk. Get to the point. Be deliberate in your delivery, but also try to have a level of compassion and empathy towards the employee.*



*Provide the employee with some background on why their position is being eliminated.*



*We believe that "less is more" when it comes to the delivery of a notification message. Over-explaining or providing your personal opinions will bring in the potential for the meeting to go off-track.*



*Be compassionate and understanding with the employee (this is a major life event for them), but also be direct and clear that the decision is final and not subject to negotiation.*



*Do not discuss your opinions on the reasons for the notification.*



*Don't try to rationalize, argue, or get into a confrontation with the employee.*



*Allow the employee to respond and share their opinions, but do not get into a long discussion with them.*



*Be sure to express that management is sorry for the action being taken, but they feel that it is necessary. Also, let the employee know that management recognizes and appreciates everything that they have done.*



*Allow the employee to ask questions and let them know that they can come back to you with questions later if needed; it sometimes takes time for the employee to process what they've been told.*



*Listen with intent and be certain to document anything that could lead to a potential problem. Consult with Human Resources, if appropriate.*



*Allow for enough time to completely review all of the severance documents. Provide the employee with the contact information for any follow-up questions that they may have.*



*Encourage the employee to contact their outplacement provider and direct them to talk with the CMP Client Services Manager either by phone, email, or onsite.*



*Remember to keep the meeting to no more than twenty minutes. Direct the employee to any EAP, HR, or outplacement provider if they want to continue to talk.*

# HOW TO HAVE A PROFESSIONAL NOTIFICATION MEETING

**The separation process can be emotional for all parties; prepare for this.**



*Be an active listener and show empathy to the employee. There are multiple types of responses that may occur (dependent on the employee's personality profile). Some employees may want to ask questions, while others may want to get the information and leave.*



*Be aware of your body language and be certain that you convey a message of trust, care, certainty, and confidence.*



*Keep the meeting to the prepared material and avoid any major departures from the script. The meeting is to tell the employee that their job has been eliminated and to explain to them the severance and benefits package that the organization will provide.*



*Do not get into any arguments. If the employee is argumentative, close the meeting out and refer them to Human Resources.*



*Allow enough time at the end of the meeting for the employee to calm down and gather their feelings before they leave (to most likely be escorted to their desk to gather their belongings or immediately out of the building).*



# PROBLEMS THAT MAY OCCUR DURING A NOTIFICATION MEETING AND HOW TO HANDLE THEM

Here are some of the most frequent problems that may occur and how to handle them:

## **Arguing or challenging the decision**

- *Remain calm and avoid allowing yourself to become emotionally hijacked. Listen with intent and take notes.*
- *Respond to any questions objectively. Do not over-explain or rationalize.*
- *Stop the meeting until the anger ceases and reconvene at a later time.*

## **The insistence on elevating the decision to senior management**

- *Inform the employee that senior management has reviewed the decision and supported it.*
- *Refer the employee to HR or EAP if they continue to insist.*

## **Continued questioning**

- *Politely direct the conversation back to the prepared message.*
- *Encourage the employee to read all of the severance and benefits materials.*

## **Threatening behavior—from simple anger to retaliatory threats like a lawsuit or some other undefined action**

- *Request for the employee to calm down.*
- *Keep calm—do not let your emotions overcome you.*
- *Allow the employee to end the meeting and discuss it when they have calmed down. Call security if necessary.*

## **Name-calling, sarcasm, or bitter criticism**

- *Keep calm and do not take the “bait.”*
- *Keep to the message.*

## **Pushing for more rationale on the reasons “how and why” the decisions were made to downsize**

- *Be polite and respectful, but avoid answering any question beyond what is provided in the planned message.*
- *Do not allow yourself to be sidetracked—get the meeting back on topic.*

## **Elevated emotional responses, from crying to denial/shutting down**

- **Crying:** *provide tissues, allow the employee to be alone if needed. Do not physically engage.*
- **Anger:** *allow the employee to vent. Remain calm.*
- **Denial/shutdown:** *move through the messaging for the meeting and inform them that they can talk with someone from EAP or HR at a later date.*

### **Things to do After the Meeting**

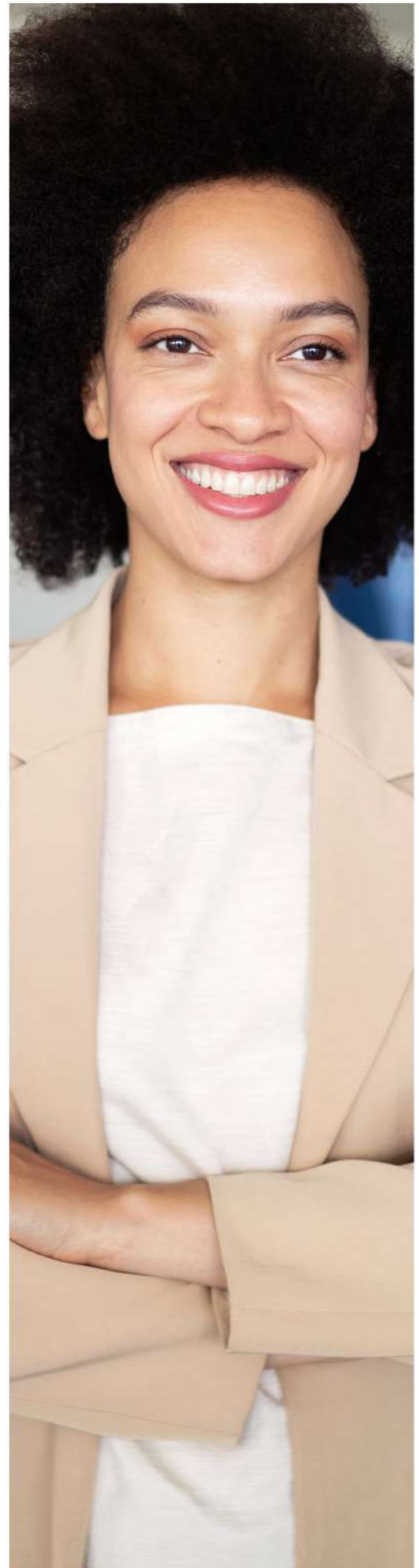
- *Set-up a follow-up meeting between the employee and a representative from the organization to ask if there are any additional questions. Quite often, there will be a period for the employee to review and approve the terms in their severance agreement. Remind them of the timing and answer any questions that they may have.*
- *If the employee remains employed until a predetermined termination date, monitor their behavior to be certain that nothing disruptive is taking place.*
- *Alert Human Resources if you have any major concerns about the employee's well-being.*
- *Closely watch how the remaining employees behave during the notification process and note how their interactions are with the terminated employees.*

### **Communication with Remaining Employees**

- *Promptly get a pre-approved message out to all of the remaining employees. Ideally, the message should be delivered in person.*
- *Explain what action has been taken, the reasons why it was taken, and reassure all of the remaining employees about their job security. Expect to have some negative reactions from the current employees.*
- *If a restructuring is taken place, provide all of the information regarding the new organizational structure and responsibilities for all individuals impacted. Thank employees for their continued support, but make no promises or guarantees about the future.*
- *Be open and accessible to your employees if they want to talk and have their questions answered.*
- *Do not be defensive, glib, or unempathetic. Restructuring and downsizing events are difficult as it impacts people who are friends and associates of your current employees*

### **The Timing of the Notification Meeting**

CMP recommends having the notification meeting on either Monday or Tuesday. Giving the employee notification early in the week allows them time to get their personal affairs in order throughout the balance of the work week. It also gives them time to follow-up with the company on any questions/open items that they may have. Having a notification meeting on a Friday may make sense, as it is less disruptive in the workplace, but it could cause the former employee undue anxiety because of unanswered questions over a weekend. CMP also recommends that the company should take into account other mitigating factors such as birthdays, anniversaries, holidays, graduations, or hospitalization of a family member.



### **Who Should Deliver the Notification Message?**

The employee's immediate supervisor should be the one to deliver the message. Under special circumstances, a more senior manager and a human resource representative may also be present, but we strongly recommend the immediate supervisor conduct the interview alone. When others are present, they should act as witnesses. Any manager or supervisor who feels uncomfortable about any aspect of a specific notification meeting should contact CMP for a briefing in advance of scheduling the meeting.

### **Where Should the Notification Message be Delivered?**

CMP recommends scheduling the meeting in a neutral office space. Ideally, the meeting space will provide sufficient privacy (conference rooms are great). We do not recommend having the meeting in the manager or supervisor's office because it can be too visible to all of the other employees. Finding a neutral space is especially important in open workspaces. Choosing an offsite location may be the best choice for these type of spaces.

### **Length of the Meeting**

Ten to twenty minutes should be planned for the meeting. This will allow the supervisor enough time to review all of the materials with the employee. Having a longer meeting can lead to possible arguments or excessive questions. The notification messaging should take about five minutes. The rest of the meeting should be for questions or an opportunity for the employee to express themselves.

### **The Separation Package**

The separation package should be written out and given to the employee at the time of notification. This documentation is usually done in letter format and includes the amount and terms of severance pay, vacation pay (if any), continuing company benefits, and services of an outplacement firm.

This separation support information should be in writing, since the shocked reaction of terminated employees prevents their retaining detailed information.

It also provides tangible proof that the company is going to help during their transition. In many instances, a human resource representative will explain the details of the separation package to the individual.

### **Practice Delivering the Message**

Practicing the separation message is important because it is hard to predict what response the employee will provide during the meeting. Many responses such as anger, intense questioning, or distress—can throw the Manager off track. Rehearsing a script will help the Manager stay on message, keep the messaging brief and to the point, and ensure that all of the relevant information is provided.

### **Conducting the Meeting**

The following parts of the notification meeting require careful and thorough planning. An effective notification meeting should follow this agenda:

- *Purpose and rationale for the meeting Delivery of the message*
- *Explaining what separation support will be provided*
- *Listening and responding with empathy to the employee*
- *Providing structure for next steps*
- *Closing the meeting*
- *Introduction of human resource representative or CMP consultant*

### **Deliver the Message**

Tell the employee clearly and succinctly that he or she is terminated and the reasons for this notification. Be concise and definite. Provide an effective date.

#### *Example:*

*"Your department will be one of the areas that will be affected with this down- sizing. There will be a 20% reduction in the workforce. Effective today your position is eliminated, and your employment is terminated."*

### **Explain Separation Support**

Provide separation benefits and other assistance in writing. When explaining the benefits, highlight severance pay, continuing benefits, career transition assistance, and other assistance provided by the company. The human resource representative, as a later step, can go over the specifics of each benefit.

#### *Example:*

*"To assist you in this transition, the company has put together a severance package. You are eligible to receive severance pay. Certain company benefits will continue, and you will be paid for unused vacation. The company has obtained the services of CMP to assist you in your job search. You will have an opportunity to meet with a representative of CMP after this meeting."*

### **Listen and Respond with Empathy**

The next stage is important. Wait in silence for a reaction from the employee. Listen intentionally to the employee response and, when it is appropriate for you to speak, be empathetic without clouding the issue. It is hard not to defend or justify the decision, but try not to get into a heated or emotional discussion. Avoid providing any opinion and stick to the messaging script.



# PROVIDE CLEAR STRUCTURE FOR NEXT STEPS

Since the employee may be in shock and not understand what is said, care should be taken to outline the individual's next steps clearly.

## **These steps are usually:**

- *Discussing any operational or transition issues*
- *Meeting with human resource representatives*
- *Return of company property*
- *Retrieval of personal effects*
- *Meeting with the CMP consultant*

Be brief and clear about all operational matters, such as clearing out the office, return of company property (such as credit cards, ID badges), transfer of duties, and identification of the company person(s) who will handle all matters after the notification meeting. Communicate decisions for retrieval of personal items. Indicate whether the individual is free to return to their work area or whether he or she is required to leave the building after meeting with Human Resources and the CMP consultant.

# CLOSE THE MEETING

In closing the meeting, present the employee with the severance packet and make an offer of personal support amid best wishes. Then introduce the CMP consultant and exit the meeting.

## **Example:**

*"George, I would like you to acknowledge receiving the separation letter by signing this form. You will also have the opportunity to meet with a company benefits representative to go over your severance package and get answers to any questions you may have.*

*What's important now is that you begin looking for a new position as soon as possible. I will introduce you to the consultant from CMP, the firm we have contracted to assist you in finding a new position. I want you to meet with them today."*

*Taking the employee to the next meeting, or having the human resource representative meet the employee, provides the structure and control that is important when managing a successful notification. If the human resource representative meets with the employee, he or she can reinforce the advantages of outplacement services, and then take the employee to the CMP consultant.*

## **Example:**

*"Well, George, I'm sorry that I had to be the one to break this to you. I want to wish you the best of luck in the future (and if I can be of help, let me know). As I said earlier, we've contracted CMP to assist with your job search. I'd like to you to meet with the CMP consultant now. Let me ask him/her to step in to explain their services."*



# RECOGNIZING AND RESPONDING TO COMMON REACTIONS

Reactions of employees are going to be unique and specific to the individuals concerned. Yet, as with all human conditions, some familiar patterns of behavior are predictable or otherwise considered normal. Generally, four type of reactions occur:



Denial



Shock



Anger



Acceptance

## DENIAL

After you deliver the message, the employee may sit in stunned silence. He or she may say, "I don't believe it." Your only response should be to gently reassure the person that it is indeed happening and that you understand it must be difficult.

### Possible Reactions

- *Words are very positive, but the voice is tight, controlled*
- *Body language (posture, gestures) conveys discomfort*
- *May avoid eye contact*

### Statements Associated with Denial

- *"This can't be happening."*
- *"You've got to be kidding."*
- *"I know a lot of people; I will be OK."*

### Suggested Responses

- *Actively listen or respond simply.*
- *Restate the message.*
- *Repeat comments several times.*
- *Make sure employee knows that the details are in writing.*

# SHOCK

With this reaction, the person may appear to be confused or emotional.

## Possible Reactions

- May not say anything
- May be unresponsive to further statements
- May show physical signs of distress
- May become tearful or cry

## Statements Associated with Shock

- "I can't handle this."
- "I don't believe this is happening."
- "This can't be true."

## Suggested Responses

- Be gentle, but draw the employee out.
- Make sure you were understood.
- Stay focused on the employee.
- Get the person to talk by using active listening techniques.
- Ask open-ended questions.
- Give them time to accept the news.

# ACCEPTANCE

The most typical response is acceptance of the situation. A statement such as, "What's my next move, then?" signals that the message has been internalized and the person is ready for the next step. It should be noted that relief is a common reaction. Most people know that something is in the wind and when the final meeting is held, they experience relief that it is over.

## Possible Reactions

- May openly voice acceptance
- May show nonverbal signs of relief
- May discuss the situation realistically

## Statements Associated with Acceptance

- "Okay, I expected it."
- "I wish it weren't true, but I guess I've been expecting it."
- "Where do we go from here?"

## Suggested Responses

- Clearly convey the next steps.
- Suggest the value of career assistance.
- Acknowledge feelings; don't assume everything is fine.

# ANGER

No one likes to suffer a job loss. Even if the employee was unhappy in his or her job, at least it was the "devil they knew." Many managers expect great hostility. In fact, there is very little uncontrolled anger.

There may be some anger expressed, however. The key to dealing with this situation is to acknowledge that the person is upset, that you don't expect him or her to agree with the decision, and that there is no point in getting into a heated discussion since the result will be the same. Remain calm and keep the discussion moving through the points that need to be covered.

The CMP consultant is professionally trained to handle the natural anger that the employee will feel.

## Possible Reactions

- May challenge the manager's authority
- May criticize the company
- May verbally attack manager
- May bring up specific issues (mortgage, kids in college, debts)

## Statements Associated with Anger

- "You can't do this to me."
- "You have no right to."
- "What do I do now?"
- "Why me, why not?"

## Suggested Responses

- Acknowledge anger.
- Avoid becoming angry or defensive.
- Explain; don't justify.
- Wait for calmer behavior.
- Maintain a calm demeanor.
- Restate the situation.
- Possibly cut off the discussion

# ANTICIPATED QUESTIONS AND STATEMENTS

By anticipating tough questions and statements and planning your responses, you will be more effective in the notification meeting. The following are examples of statements, questions, and responses.

**Statement:** "I can't believe this is happening to me."

**Response:** "I know this is a difficult moment for you and I know it's hard to believe."

**Question:** "Are you telling me that I'm fired?"

**Response:** "I am telling you that you do not have a job at this company as of today."

**Question:** "Why me?"

**Response:** "Business realities in our industry require significant changes in how we operate. To be competitive, we must downsize."

**Question:** "But why did you pick me?"

**Response:** "The decision was made by a carefully designed process that considered many factors. The decision has been reviewed and approved by management." OR "As part of the restructuring, your position has been eliminated."

**Question:** "What did I do to deserve this?"

**Response:** "You are not being terminated for cause; your position was eliminated as part of a general reorganization."

**Question:** "Are you getting rid of Ron, too? He's much worse than I am."

**Response:** "I know that you don't agree with this decision and that it must be difficult, but I had to inform you."

**Question:** "How about a transfer? Or at least wait until next year?"

**Response:** "Before deciding on your notification, we looked at all possible alternatives. There are no present possibilities of transfer or delay."

**Statement:** "I don't accept this at all. I'm going to the president."

**Response:** "I can't stop you from doing that, but you should know this has been approved through channels all the way to the president."

**Statement:** "Well, I think you're discriminating against me because of my age... my sex... my race..." etc.

**Response:** "That's not so. The reason, as I said before, is because business realities require us to reduce the total number of positions."

**Statement:** "I'm going to sue you. You can't get away with this"

**Response:** "Well, that's an action you'll have to decide on."

**Question:** "How am I going to tell my wife/husband?"

**Response:** "I realize that can be difficult and we have arranged for a consultant to help you with that and similar issues. I'll tell you more about that later." OR "I realize that is a problem and we have arranged for a consultant from CMP to help you. Let me introduce you to him/her."

**Question:** "What is the appeal process? Who can I talk to?"

**Response:** "The decision was made after a review by top management, so this decision is final. However, you may talk with Human Resources (if they are not there) regarding what this means to you."

**Question:** "I have so many projects. Can I work one more month?"

**Response:** "No. The transition will be difficult for the company, but the best thing for you is to begin the process of establishing a new start. CMP will be helpful in this."

**Question:** "Can I tell prospective employers that I am still employed?"

**Response:** "No. This is an awkward question to handle and the best answer, if asked by a prospective employer, is that the company went through reorganization and your position was eliminated. However, your sessions with CMP will help you prepare for this and other situations."

**Question:** "What about my benefits?"

**Response:** "You have a written explanation of benefits. Human Resources can answer any questions beyond this. The written explanation includes telephone numbers to call if you have questions later."

**Question:** "Is there a chance of being rehired if there are openings?"

**Response:** "Yes but, realistically, we do not expect any openings soon, so your chance of rehire is very slim."

**Question:** "Are other employees with less seniority being kept?"

**Response:** "We looked at many different factors in arriving at this decision and it was reviewed at several levels. We felt this was the best decision under the circumstances."



**Question:** "Couldn't you have accomplished this by attrition?"

**Response:** "Unfortunately, we can't wait for attrition. We are changing the whole concept and climate of our organization, and that kind of change cannot be implemented piece-meal."

**Question:** "Who do I see to negotiate more severance pay?"

**Response:** "The packages are final. They were reviewed and approved by top management, so everyone was treated consistently."

**Question:** "Why can't I go back to my former job—you just promoted me, saying I had to take the job for my career path—while my friends are still in their jobs and still working?"

**Response:** "When you were placed, we did not know that your job was being eliminated. There are no current openings. It is your job that is being eliminated."

**Question:** "I was just told or promised a secure future or another position in the company."

**Response:** "Regardless of what you have been told in the past we are here today, and this is the situation. You need to face reality of today and concentrate on the future."

#### **Avoid the Following:**

- *Extensive justification of the notification or detailed discussion of the reorganization*
- *Criticism of management for the decision or for forcing you to make it*
- *Arguing over past performance, old grudges, history of abuses by both sides, etc.*
- *Exchanging hostilities*
- *Trying to take away "bad feelings" by excessive reassuring*
- *Derailing the conversation by a discussion of side issues*
- *Making apologies or promises that cannot be kept*

#### **General Concerns**

You may have other concerns that have not been mentioned in this section. Please bring them to the attention of the CMP staff. We are here to help you in any way possible.



# MANAGING THE REMAINING EMPLOYEES

Reactions of employees who remain after a notification vary greatly, but this certainly is an emotional time for them. They experience feelings of relief, fear, anger, guilt, cynicism, and shock.

## **They will have questions, such as:**

- "Will I be next?"
- "Why was I so lucky?"
- "I wonder what will happen to my friends?"
- "Why did the Company do this?"

It is, therefore, important to communicate with remaining employees as soon as possible following the notification. Employee group meetings are the first step in providing information and structure so employees can begin focusing on their work and the challenges of the future.

Schedule meetings with your work units after the notification(s) have occurred.

## **Communicate information about the following topics:**

- The fact that notifications did occur
- Company's rationale
- Any changes in work responsibilities
- Any changes in reporting relationships
- Department plan

## **Acknowledge the feelings and concerns of employees.**

- Solicit and legitimize feelings and concerns.
- Listen to the concerns.
- Don't get defensive.
- Don't apologize.
- Understand this is a stressful situation.

Be honest about situations that are not resolved. Agree to provide information as soon as possible.

- Communicate concern for the people who have been terminated.
- Don't downgrade the terminated employee(s).
- Focus on the positive things the company is doing to assist the terminated employees (severance, CMP's services).

## **Discuss next steps:**

- Meetings to refocus departmental goals, roles, and responsibilities.
- Meetings with individuals whose jobs are changing to clarify roles, objectives, and career opportunities.
- Meetings with any employees reassigned to you to discuss roles, department goals, etc.
- Provide structure by being clear about on-going responsibilities.

## **Close the meeting by:**

- Stating your availability.
- Answering questions that you can address, but not those you are unsure of. Agree to find out the answers as quickly as possible.

Manage by walking around; stay in touch with your people; move things to normal as soon as possible.

# SUMMARY



*Notification meetings should be brief (usually less than fifteen to twenty minutes) and should occur in a private office or conference room—preferably a setting.*



*The notification should be scheduled early in the week. Avoid Fridays if possible.*



*Do not attempt to justify the notification. You will never be able to justify the decision to an emotional person. No matter how hard you try, you cannot make the notification a positive experience.*



*Write out severance information in letter form. People in shock do not remember what is said and need "proof" of the company's support.*



*Do not use "band-aids" to solve the problem. Avoid truisms such as "I know how you feel" or "This is not the worst thing that could happen." Do not make promises you can't keep.*



*Make sure the person has heard the notification news clearly, but avoid personal attacks or being so tough that you traumatize the individual. Be sensitive.*



*Plan your script and stick to it.*



*Be clear in explaining the next steps to the individual—they are looking to you for structure.*



*Make sure to coordinate your appointments with CMP. Do not leave the individual "dangling."*



*Treat the individual with dignity and sensitivity.*



# IMPORTANT POINTS TO REMEMBER



*Meet with all employees and not just a select few.*



*Don't give information you are not sure about or make promises you can't keep.*



*Maintaining your credibility at this sensitive time is important.*



*Be available. Avoid leaving the work area for extended periods of time.*



*Don't assume a business-as-usual attitude. It's not a business-as-usual time.*



*Encourage employees to discuss their feelings and concerns.*



*Do not belittle those who are leaving.*



*Include employees in the decision process when structuring new work assignments.*



*Don't suddenly load people up with new work. People need some time to absorb what has happened. Additional work assignments given immediately after notifications may be strongly resisted.*



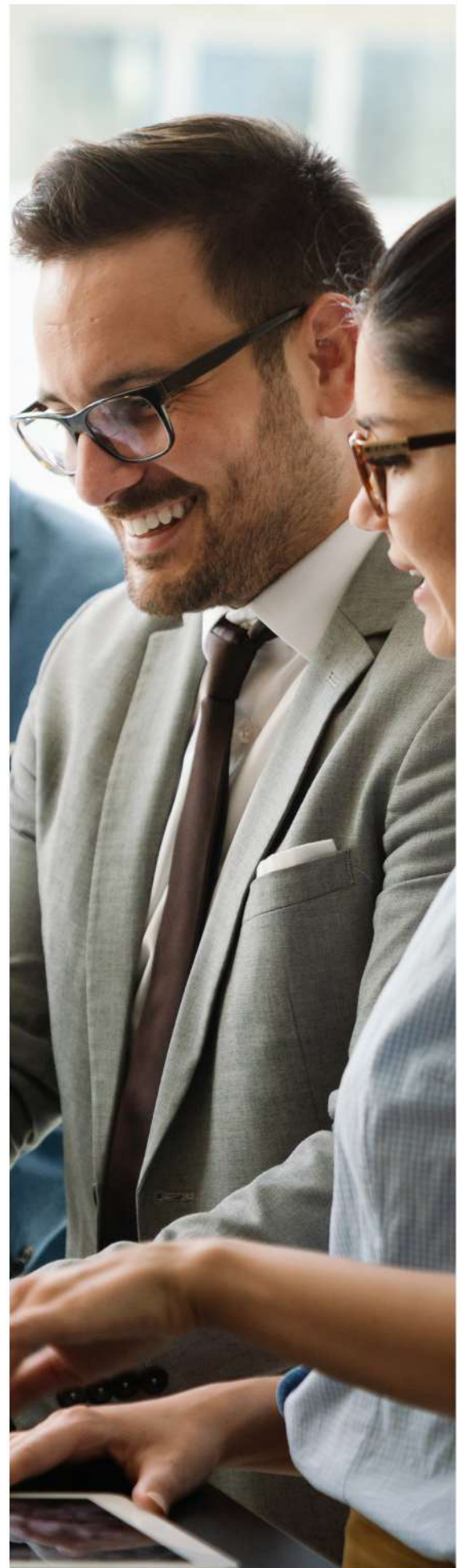
*Avoid inappropriate "humor" as an attempt to release tension.*



*Don't drastically change your management style; employees have enough changes to deal with.*



*Take care of yourself. This can be an emotionally and physically draining time. Diet, exercise, and proper rest are critical during peak stress events. The CMP consultant is also available to assist you personally during this difficult time.*





# NOTIFICATION CHECKLIST

The following checklist is provided as an additional tool for the preparation of the notification meeting.

Action Item	Due Date	Completion Date	Person(s) Responsible
Do I have the facts of the situation? <ul style="list-style-type: none"> <li>◦ <i>Name, address, etc. of the individual being separated</i></li> <li>◦ <i>Reasons for the notification</i></li> </ul>			
Is the meeting time set? <ul style="list-style-type: none"> <li>◦ <i>With the individual being terminated</i></li> <li>◦ <i>With the human resource representative who will meet the employee after the notification meeting</i></li> <li>◦ <i>With the CMP consultant who will meet with the employee after that</i></li> </ul>			
Has a private place been chosen for the notification meeting?			
Have I prepared a script, which I will not read, but which helps me prepare my remarks? The script includes these pieces: <ul style="list-style-type: none"> <li>◦ <i>Providing purpose and rationale</i></li> <li>◦ <i>Delivering the message</i></li> <li>◦ <i>Explaining separation support</i></li> <li>◦ <i>Listening and responding with empathy</i></li> <li>◦ <i>Providing structure for next steps</i></li> <li>◦ <i>Closing the meeting</i></li> <li>◦ <i>Introduction of HR representative or CMP consultant</i></li> </ul>			
Is a written statement of benefits prepared? <ul style="list-style-type: none"> <li>◦ <i>Do I understand how the work transition is to take place?</i></li> <li>◦ <i>Have I made provisions for the terminated employee to clean out his or her work space at an appropriate time?</i></li> </ul>			
Do I understand how to handle the difficult questions?			
Do I know how to contact support resources? <ul style="list-style-type: none"> <li>◦ <i>Employee Assistance Program (EAP)</i></li> <li>◦ <i>Benefits Help Desk</i></li> <li>◦ <i>CMP Consultant</i></li> </ul>			
Have I prepared myself mentally? <ul style="list-style-type: none"> <li>◦ <i>Do I understand follow-up procedures?</i></li> <li>◦ <i>Post-notification interview memorandum</i></li> <li>◦ <i>Debrief with CMP consultant</i></li> </ul>			

# REDUCTION IN FORCE (RIF) PROJECT

Action Item	Due Date	Completion Date	Person(s) Responsible
Complete the strategic review to determine RIF objectives			
Identify the number of employees or positions that will need to be eliminated			
Establish an action plan, budget, and timeline for the notification event			
Create a WARN notice (if necessary)			
Complete a legal audit of the list of selected candidates to verify that the list meets all compliance requirements			
Establish the message and rationale for the layoff. Some factors could be: <ul style="list-style-type: none"> <li>◦ Job elimination</li> <li>◦ Corporate restructuring</li> <li>◦ Outsourcing</li> </ul>			
Determine the severance package that will be provided for each employee: <ul style="list-style-type: none"> <li>◦ Severance provided to each employee</li> <li>◦ Any unpaid PTO (if applicable)</li> <li>◦ Medical and dental continuation until (date)</li> <li>◦ EAP program—for employee/family</li> <li>◦ Outstanding 401K loan payoffs</li> <li>◦ Accrued but unused vacation.</li> <li>◦ Redeployment options</li> <li>◦ Outplacement/Career Transition Assistance by CMP</li> </ul>			
Contact CMP to discuss how to plan and flawlessly execute the notification event			
Schedule a review meeting with the executive team to review all of the program elements.			
Create a complete exit information packet: <ul style="list-style-type: none"> <li>◦ Separation letter with all of the severance/benefits information</li> <li>◦ Any other relevant information (EAP contacts, 401K)</li> <li>◦ Unemployment insurance/social security information</li> <li>◦ Contact information for the CMP outplacement assistance</li> </ul>			
Schedule all meeting rooms and any other locations where the notification will take place			
Complete all of the messaging strategy for all involved parties: <ul style="list-style-type: none"> <li>◦ Executive team</li> <li>◦ Managers</li> <li>◦ Employee communication (post notification)</li> </ul>			

# REDUCTION IN FORCE (RIF) PROJECT

Action Item	Due Date	Completion Date	Person(s) Responsible
Have I scheduled time and developed a plan for my meeting with the remaining employees?			
Schedule training sessions for all managers who will be involved in the notification			
Evaluate and finalize any retention plans that may be needed for remaining employees			
Set notification dates and set up meetings for all impacted employees			
Contact building security to discuss the notification plan and to have security present at the notification date			
Provide Payroll with the list of the impacted employees			
Conduct the notification meetings <ul style="list-style-type: none"> <li>◦ CMP recommends that both the Manager and HR be present at the meeting</li> <li>◦ The manager will explain the business case for why the position is being eliminated</li> <li>◦ HR will explain the severance/benefits package and outplacement program</li> <li>◦ CMP recommends that a CMP representative be present at the notification to explain the benefits of the outplacement program</li> </ul>			
Debrief meeting with Managers, HR, and CMP			



# ABOUT CMP

CMP is a minority and woman owned firm in the business of developing people and organizations across the full talent life cycle - from executive recruiting and assessment, to coaching, and outplacement support.

# CONTACT US



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