



Crucial Conversations.

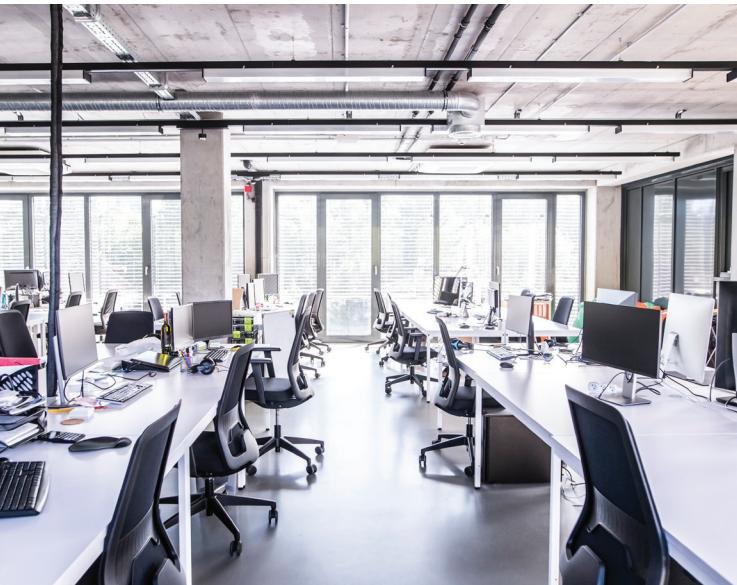
How to Lead through Layoffs to Save Your Surviving Workforce

By Joseph Grenny and Brittney Maxfield



MASSIVE LAYOFFS ARE MAKING NATIONAL HEADLINES.

Since November 2022, Google has laid off 12,000 employees, Amazon 19,000, and Meta 21,000 employees.



Across the tech industry, reports indicate that in the last twelve months, 1,666 companies have laid off more than 283,000 employees, with nearly half of those—126,000 layoffs—occurring in just the first few months of 2023.

And while tech has been hit particularly hard, there isn't an industry that has escaped hardship completely. Retail and consumer industries are trailing tech in massive layoffs, followed closely by transportation, healthcare, and finance.

While the clear victims of a layoff are people left without a job, the company-altering events also pose great risk to those still on the payroll. Employees who survived the layoff are often left with survivors' guilt and a sullied view of the organization they might have once loved. Often, how the layoff is handled may even contradict the values the organization has promised to live and work by. For example, some employees at Salesforce have felt their recent layoffs directly contradict the company's mantra of *ohana* – which, according to leaders, means family and “family means no one gets left behind.” Surely it was a promise leaders couldn't keep when under extreme financial pressure. To departing employees, it was certainly an empty promise.

Layoffs aren't new. They've happened before, they will happen again. It's up to leaders to respectfully lead through layoffs in ways that will not only soften the blow for those leaving the organization but preserve the culture and morale for those who remain.

In this ebook, we'll share a few strategies for leading through layoffs.

Villains and Victims

In the tragic tale of layoffs, leaders are almost always painted as the villain. And yet, perhaps no one dreads layoffs more than the managers who are required to issue them. Leaders are tasked with laying off trusted and dedicated team members. In some cases, managers aren't allowed to influence the decision at all and receive the news about their team at the same time as their employees.

Unfortunately, some of the villain stories are true. In stressful times like these, when it matters the most, leaders can be on their worst behavior. Feeling the pressure of doing such an unpleasant job, they can become so embroiled in the crisis that they surrender their leadership focus and handle layoffs poorly.

Recent reports indicate that many tenured employees have been notified of their immediate termination through a templated email. And we've all heard about devoted employees who have shown up to work one day only to be locked out of their computer and escorted out of the building. It's hard to believe that in such a life-altering situation leaders could be so impersonal in the name of efficiency. And yet it happens far too often.

Leaders' inability to handle this crucial moment well doesn't only hurt those being let go, it can also lead to damaged trust and morale among remaining employees. But leaders can step up to this crisis in a way that doesn't add insult to injury. When leaders handle layoffs with respect and transparency, they increase the likelihood that those being let go will leave with a sense of dignity and appreciation, and they preserve workplace morale and relationships with those who remain.





01

Be immediately transparent about possibilities and certainties.

Leaders sometimes fear that if they suggest layoffs are possible in the future, they'll spur voluntary turnover of key employees. Furthermore, they argue that you take employees' eyes off the ball when you hint at downsizing. And yet, the opposite is usually true. When you establish a track record of early communication, you avoid the crippling plummet of employee engagement caused by mistrust. In the absence of prompt leadership communication, you don't get focus, you get rumors. And rumors cost far more in the long run than any downside of prompt transparency.

02

Feel pain when you deliver pain.

If you have bad news, make sure to deliver it face-to-face, or at a minimum screen-to-screen in today's virtual world. Don't rationalize your actions in the name of efficiency or try to protect yourself from discomfort by delivering the news via email, chat, or other forms of impersonal communication. You expect employees to be loyal to you, now is your chance to show loyalty in return by demonstrating your willingness to suffer with them. Don't be afraid to tell them how agonizing it is for you while sympathizing with their plight. Don't be afraid to show genuine emotion—doing so will let them know you care. However, before doing anything, make sure your actions are completely sincere.

03

Respond to anger with compassion.

If someone becomes upset, angry, or accusatory, you need not respond to the content of their statements. HR professionals will tell you (appropriately) that this is not the time to make authoritative statements. But by all means, respond sincerely to the emotion. You should be aware of and compliant with what you are authorized to share about the decision-making process involved in the downsizing. But in any event, you can say, "I've done my best to follow the policies I was given in the downsizing. And I am sick at heart that it is coming down badly on you. I am sorry for the turmoil this will cause you and assure you I will help your transition any way I can." While this statement won't take away the pain, it helps you avoid causing more pain.

04

Offer specific help and resources.

No matter how stingy or generous your company chooses to be in the layoffs, you can offer your own support—which is often more personal and meaningful when you're the one sharing the bad news. Have a list of things you can personally offer depending on the needs of those you're letting go. For example, you can offer to write a letter of recommendation or post a positive LinkedIn review. Then be sure to follow through quickly on your offer. Always side on generosity when you attend to the needs of those you're laying off. As stated earlier, your willingness to sacrifice for those leaving is THE determinant of how much trust you'll have with those remaining. A specific offer of two or three things you can do for the individuals you are laying off will tell them a lot more about your sincerity than general "If there's anything I can do..." statements.

05

Realize the way you treat those leaving will determine the trust you have with those staying.

You're not just being scrutinized by the downsized; your performance is being equally critiqued by the survivors. These employees are watching you and drawing conclusions about how you will treat them in similar circumstances. You must be honest, open, proactive, generous, and caring. If you come across any less, you'll pay for disingenuous behavior for years to come.



Picking Up the Pieces

Laying people off is just the first hurdle. But taking care to do so humanely and respectfully will return dividends in the way your remaining workforce views the organization and your personal brand of leadership.



In the days and weeks that follow a layoff, leaders need to take extra care to be present and transparent to ensure a successful transition into what will feel like an entirely different landscape. There are a few necessary steps leaders must follow to keep their strained emotions in check and ensure their remaining employees feel safe and secure enough to continue their roles and responsibilities.

Leaders with the acumen to lead through layoffs have the potential to build an even stronger team. Here are three ways leaders can engage employees in tough times.

THREE STRATEGIES TO LEAD THROUGH LAYOFFS



IF YOU CAN'T OFFER JOB SECURITY, INCREASE JOB PREDICTABILITY.

Be as transparent as possible with your remaining workforce about how decisions will be made and where future cutbacks may be targeted. Tell them as much as you know and can share. If you can help your employees feel more in control of their job security, you will reduce the psychological cost of living in the unknown. Most importantly, you will increase their trust in you as their leader.



SPEND AS MUCH TIME BUILDING CONFIDENCE IN THE FUTURE AS YOU DO SHARING BAD NEWS ABOUT THE PRESENT.

Leaders become so defensive about announcing bad news that they start hiding from employees. They need to do the opposite. They need to sell their proactive message about how they'll secure the future every bit as much as they talk about the hard decisions being made today. If they don't, employees lose confidence in leaders and suffer "survivor's syndrome"—the state of simply waiting around for the next shoe to drop.



INVEST ENORMOUS AMOUNTS OF TIME WITH FRONT-LINE MANAGERS.

Front-line employees lose trust in senior management when layoffs begin. And unfortunately, in most organizations, that trust was fragile to begin with. So, your best bet of engaging front-line employees is through the agency and actions of your front-line managers. Invest enormous amounts of time sharing with them every scrap of information you can. Consult with them about tough decisions. Delegate these tough decisions to them. Share the complexity of the problems you're trying to solve and help them understand the motives behind your decisions. If they sympathize with your dilemmas and get a sense of your optimism about the future, you'll have a hope of that rubbing off on the rest of the organization.

Being laid off can be one of the most difficult challenges a person may face in their career, even lifetime.

And letting people go is undoubtedly one of the toughest things a manager might do in their career. But if leaders commit to transparency and respect, and engage in open dialogue, departing employees are more likely to feel respected and remaining employees are more likely to have confidence—in leadership and the organization. It is in crucial moments when our values are tested, and it is in crucial moments that we make our values clear. Faced with a layoff, leaders can improve the health of their organizations by communicating with transparency and respect. It's the surest way to make it clear you value your people.

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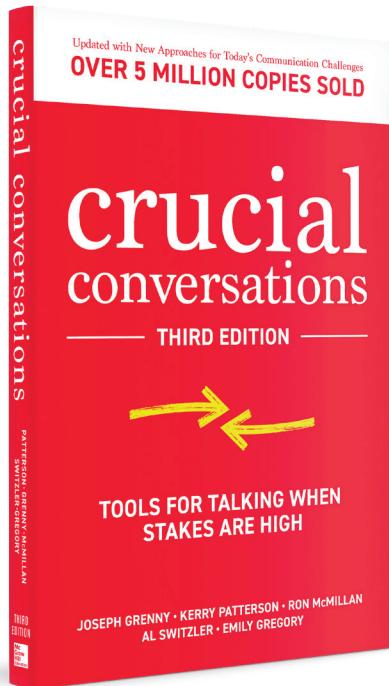
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Learn More

The principles and skills shared above are taught in the award-winning *Crucial Conversations for Mastering Dialogue*. The course is available in on-demand, in-person, and virtual learning formats and teaches people how to communicate when stakes are high, opinions vary, and emotions run strong. With skills to speak their minds honestly and respectfully, people collaborate better, make better decisions, and foster workplace cultures of trust, safety, respect, and responsibility.

Get Started

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