

# Caring for Retained Employees During a Layoff

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Organisations were forced to make a decision on downsizing their workforce to remain competitive in this dynamic market. Some of the forces that were in play before the pandemic have set in and accelerated its pace, forcing companies to relook at the way they operate, incorporate new technology, and optimise talent.

Layoff has a ripple effect in the organisation, affecting employees' motivation and productivity. While the focus is on the people who are being laid off, its effect is equally severe to those who are retained by the organisation. A clear plan to address the need of those retained is needed to ensure that the organisation will be able to achieve the desired results from the downsizing activity. The teams implementing the workforce reduction strategy will need strong support through the process and beyond.

## Impact on retained employees

Laying off employees has a significant impact on retained staff. When some people being laid off, it sends out a message to the retained employees that the company is under a crisis, and their job might be at stake as well. Fewer employees mean more work pressure and overtime as they need to pick up extra responsibilities from the people who are being terminated. As a result of constant fear, emotional distress and excessive workload, productivity goes down, taking a serious blow to the company's future.

# Supporting retained employees

Irrespective of how an organisation implemented the layoff, it will never be a pleasant experience to all within the organisation. Job responsibilities need to be adjusted and new teams are formed to bridge the gap. In addition, retaining current employees and maintaining their job satisfaction are equally important in difficult times like these.

## 1. Direct communication

- **Addressing emotions and feelings**

Downsizing can take a serious blow to employees' mental health. They may feel lost, betrayed, scared or vulnerable. Long-term consequences can mean decreased productivity and increased turnover.

Organisations need to step in to address their emotions and reassure them that their contribution can help the company get back on its feet. It's important to be authentic and state the facts right, while assuring them that they're valued and bring the teams together. Organisation should provide counselling and coaching to those retained and at the same time, equip the team leaders to effectively engage with their teams and help them tide over this difficult time.

- **Training & Upskilling**

Retained employees need to be trained to take on new job responsibilities to fill the new role. For example, an IT specialist may require training

and upskilling to become the manager and lead his team. They will be satisfied to see the organisation reinvesting in them; this will assure them of their value and contribution.

- **Adjusting compensation & benefits**

With the new job roles and responsibilities, the compensation and benefits need to be readjusted to make the employees feel safe and satisfied. If the added work comes with no added benefits, it can make employees feel exploited and violated, and can make them less productive, leading to burnout or even turnover.

- **Collect and respond to feedback**

Not all employees will be comfortable in the new environment at once. To combat this, employee feedback is an important key. This can help the organisation to become better at understanding their problems and perceptions, identify risks and opportunities and improve communication. Responding to feedback in a constructive manner will help you foster better relationships.

## 2. Indirect communication

- **Sharing the new vision**

Leaders need to ensure that the retained employees feel safe before adopting their new roles and being productive. They need to be





updated about the new vision and how the company plans to function in the downsized environment. Sharing the vision makes employees feel important, and valued as an integral part of the company.

- **Proactively share updates on new initiatives and roles**

With the downsized workforce, organisations may require sharing continuous initiatives with the employees. For example, organisations may need to keep the employees up to date on why the layoffs were necessary, fair, and legal in creating a stronger environment and the future plans of taking company functions back on track.

- **Addressing the red flags**

It's highly probable that the retained employees can plan on leaving and moving on to better roles. In such cases, organisations need to identify the red flags and convey to the employees that they're safe and maintain their compensation, benefits or allow more flexible work. Their feedback must be taken into consideration and

make any refinements if needed, be it on an individual level, team level or organisational level. Making them feel like a valued part of the team is integral to retaining them.

- **Leading change**

Surviving employees need to set short-term goals and take more initiatives to build new teams and adopt new ways of working. Encouraging them to innovate new ways of working can help them feel in charge and remain focused at work.

A headcount reduction activity presents many challenges for leaders as both individual and organisational performance is being tested at the same time. However, continuous efforts in the right direction can make the organisation to be more resilient.



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Archana Uniyal is the Consulting Director of PERSOLKELLY Consulting.

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