

HRPA UPDATE

Strategy—commitment –foresight

MAINTAIN WORKPLACE PRODUCTIVITY DURING A REDUCTION IN FORCE (RIF)

In the current employment climate, we are seeing more and more shifts in how employers are cutting costs. We've heard it from the mom and pop shop that closes its doors to the more than 3,400 employees of Circuit City losing their jobs. It has a lot of American workers (and even ones abroad) on edge.

Many employers can be blind to the fears and feelings of their employees in this environment. It is crucial for managers to be in touch with their employees, especially in times like these. According to Elsevier Ltd., the fear employees may fear in losing their job may be directly correlated to their level of job satisfaction. They say that workers in jobs with low likelihood of job termination show higher productivity than those in less secure jobs.

For companies facing such fates, there are things you can do to prevent catastrophes in workplace productivity with those left behind as well as potential litigation from those being let go.

- **Exhaust all other options:** There are many ways to save the same dollars, if not more, in ideas other than a Reduction In Force (RIF). Some companies could end up paying more in a layoff with severance and unemployment compensation than they realize.
- **Consult with your HR Professional and Legal Staff:** These are the people who are going to be able to advise you and give you the tool for an effective RIF. This kind of support will research local and federal regulations to ensure that your company limits its exposure to claims of discrimination or other violations regarding the selection or delivery of the RIF.
- **Have a plan:** There is little which is more important in any RIF than a plan. This plan would consist of the intended result of the RIF, number of affected employees, selection criteria of the affected employees, delivery method of RIF and an action plan to communicate and support the employees who are left behind. Consider an Outplacement Program, such programs can cost more, but carry a lot of value to the displaced employee.
- **Set tools in place to carry out the RIF:** This could be security, boxes for personal belongings, lists of company equipment, termination forms and other documents to give the employee clear instruction on what to do next.
- **Keep your emotions and feelings out of the RIF:** Employees do not want to hear that you feel bad for them, or that you understand what they are going through. It can be considered patronizing and presumptuous.
- **Communicate plan and action items to the managers:** Open communication about the RIF is important, however you need to be sure that communication is swift thereafter to the employees as well. Employee morale will suffer greatly if news of a RIF does not come from the proper channels.
- **Communicate to remaining or "surviving" employees:** The key moving forward from a RIF is to have continued communication with employees. This could include individual meetings and informal lunch meetings. Managers need to ask the hard questions and really be listening to what is going on around them.

Layoffs create a lot of stress in the workplace just on their own. The manner in which it is handled will lend to the severity of the stress and the productivity following such an event. This is not something to be handled by just one person, it takes a team of experienced professionals to do it right. Count on our Human Resources support to guide you through, the right way.

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