

HUMANITY'S GUIDE TO LAYOFFS

BY: CULTURE CIRCLE



THANK YOU FOR WANTING TO DO LAYOFFS WITH HUMANITY!



Layoffs can be a challenging time for all involved.

As long as there are companies and people, layoffs will continue to happen - It's inevitable.

The way layoffs happen can evolve to ensure they don't carry such a heart-dropping-to-stomach feeling.

This guide provides a better way to do layoffs and shares how businesses can manage layoffs with humanity.

INSIDE THE GUIDE



- What are layoffs?
- Why do companies choose layoffs?
- What happens during a layoff
- How To Do Layoffs with Humanity
- Do's and Dont's
- The Future of Layoffs

Guide Design

Click any of the section titles to jump to that section instantly. Each section can be extracted and shared.

WHAT ARE LAYOFFS?



Layoffs are a form of downsizing in which a company reduces its workforce by laying off a certain number of employees. Layoffs are typically done to cut costs or adjust to changing business needs.

Layoffs can be temporary or permanent, often involving a severance package (a payout, additional benefits, etc.) to help affected employees transition to new employment.

Layoffs can be a difficult and stressful experience for the employees who are affected, as well as for their colleagues and the company as a whole.

WHY DO COMPANIES CHOOSE LAYOFFS?



There are several reasons why companies might choose to lay off employees.

Some common reasons include financial difficulties, restructuring of the company, or a decline in business.

Here are the top three reasons why a company might choose layoffs:

1

Financial difficulties

The company needs to reduce costs and improve its financial performance. Layoffs might be necessary if the company faces declining profits, high debt, or other economic challenges.

2

Restructuring the company

The company is changing its business model, merging with another company, or closing down certain parts of the business. In these cases, layoffs may be necessary to streamline the company and make it more efficient.

3

Decline in business

If a company is experiencing a decrease in demand for its products or services, it may need to reduce its workforce in order to stay financially viable.

WHAT HAPPENS DURING A LAYOFF?



Most layoffs involve these four phases:

Phase 1: Plan

The company will plan and decide which positions will be eliminated and which employees will be affected.

Phase 2: Notify employees

The company will inform affected employees that their jobs are being eliminated and that they will be laid off.

Phase 3: Offer severance pay and benefit packages

Some companies will offer severance pay and other benefits to employees who are being laid off. Packages might include payment for unused vacation time, continuing health insurance for a certain period, and outplacement assistance to help employees find new jobs.

Phase 4: Terminate employment

Once the layoff is complete, the affected employees will no longer be employed by the company.

HOW TO DO LAYOFFS WITH HUMANITY

In the book [Under the Hood by Stan Slap](#) (pg 212), he shares a story of how back in 1988, a California voters' approved proposition was the catalyst to Progressive Auto Insurance's massive layoffs.

Progressive had to issue large refunds and later received a bill that was more than their entire net income.

The employees were aware that layoffs were going to take place, and Progressive prepared the layoffs using the phases shared previously, but something happened.

The night before the layoff plan was going to be initiated, the CEO overheard two employees talking. They said, "I wish they would just ask us."

These seven simple words change the HOW of the layoffs at Progressive.

So at midnight, the CEO scrapped the involuntary layoff plan and took a new approach. The next day he shared with the culture how many layoffs were needed and asked for volunteers for the first phase and suggestions for the subsequent phases.

The layoffs still happened, and people did lose their jobs, but the CEO received gratitude notes from some of the people that volunteered, sharing that they were happy to take the severance as some wanted to start a small business or travel.

It's all in the how.

Side note: This story has been paraphrased for the full story; check out [Under the Hood by Stan Slap](#).

HOW TO MANAGE LAYOFFS WITH HUMANITY



The situation or why a layoff is happening might not be avoidable, but how layoffs are done is within the capacity and control of the company.

This next section breaks down how to manage layoffs with humility based on these seven areas:

1. Use Values to Ground and Guide
2. Map out the triggers
3. Begin with the End
4. Create Alternatives
5. Host Layoff Drills
6. Communicate the Process
7. Use Humanity

USE VALUES TO GROUND AND GUIDE

The purpose of company values is to ground and guide decision-making within the company.

It's important to note that values are rarely needed during good times.

Most companies have values that are presentable and pretty on the outside. However, values are meant to sustain and enrich what is on the inside. Understanding this is essential to how values direct how layoffs are carried out.

Another challenge with company values is that some aren't actually values but more statements that are usually forward facing for marketing perception.

True values are simple and practicable inside and outside of the workplace. They are easily defined, and they transcend across multiple layers.

You should be able to take the same values within a company and use them in everyday life. If you took those same values to a completely different part of the world, they would still hold their value and impact.

If you can't do that with your values - it will be hard to use them as a grounding guide when doing layoffs.

Start Here:

- Before planning for layoffs, revisit your company values to ensure the process aligns with what the values states.
- Tie your values into each layoff phase, policie, and process.

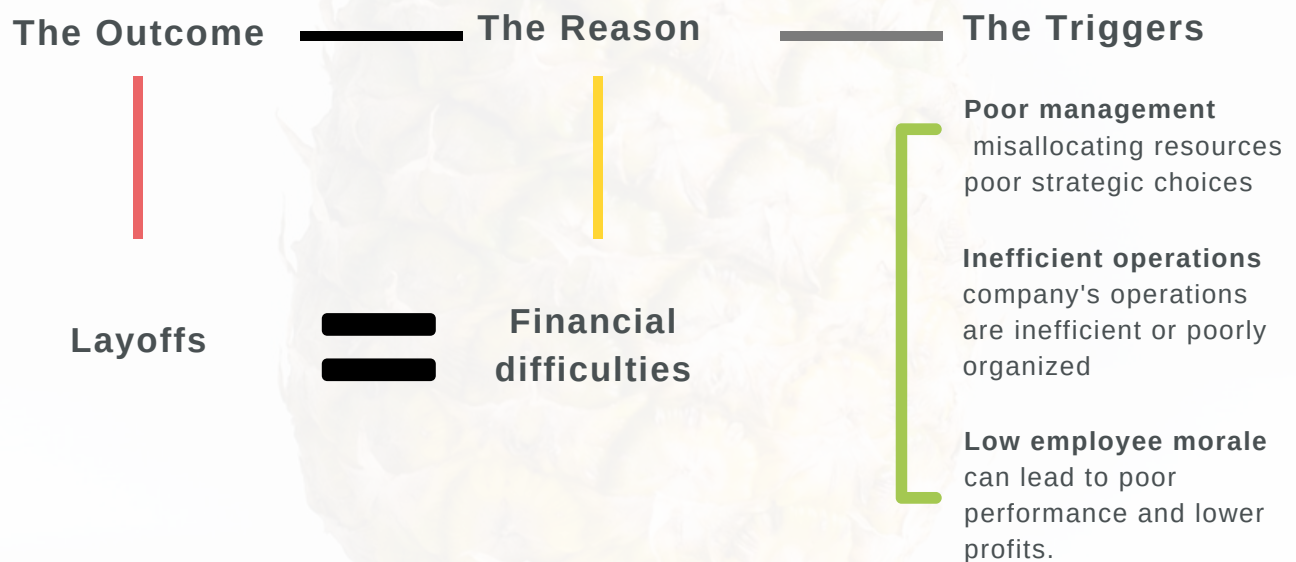
MAP OUT THE TRIGGERS

There is a reason why a layoff is happening. Triggers are the micro and macro causes that lead up to the reason for a layoff.

When you map out each reason that is relevant to your business, you can map out the trigger that leads to it. Once you've identified the triggers linked to the reason, you can start to address each trigger and create a plan to avoid that trigger manifesting within your company. Create ways to prevent or minimize their impact of them.

Below is an example of a reason tied to a layoff. Reflected on the far right are the possible triggers leading up to the reason connected to the layoff. When you dive more strategically into the triggers, the way to mitigate poor management is to provide consistent training on how managers can make the best strategic decisions.

Here is a template you can use to start mapping out the triggers.



MAP OUT THE TRIGGERS: GET SUGGESTIONS AND SOLUTIONS

Trust that you've hired smart, capable, and creative people. Gather them and ask them for suggestions and solutions tied to each trigger.

There are multiple ways to do this - here are a few ideas:

Brainstorming

Generate as many ideas as possible in a short period of time without evaluation or criticism of the ideas that come up.

Define the problem

Clearly defining the problem tied to the root of each trigger can help find specific and relevant solutions. For example, if the root cause of poor management is a lack of training. The problem might be lacking a person or resources to assist and oversee that the training takes place and is successful.

Use a structured approach

Using approaches like SCAMPER, which stands for Substitute, Combine, Adapt, Modify, Put to another use, Eliminate, and Reverse.

Gather input from a diverse group

Getting input from diverse people with different backgrounds, departments, and perspectives can help develop more innovative solutions.

IMPORTANT

To get the maximum yield from these sessions, the culture needs to feel safe and be in a good place. A healthy workplace will only amplify the collaboration and creativity of these solution sessions.

BEGIN WITH THE END

Lay out all the details that go into a layoff. Similar to backing into the layoff triggers, dissecting the steps that go into a layoff is equally important.

Start by taking the last step of what happens in a layoff, including communications, and map it to the beginning.

Below is an overview of what happens with the layoff process. Use this as an outline and input the micro-steps that fall under each step.

END

Make intro to connections or recommendations

This is the final step or form of communication you might have with employees that have been laid off. Making soft intros to people within your network can help them get their next job.

Providing support

Provide support, such as by offering counseling services or outplacement assistance. This is an excellent time to check in with your health insurance broker to see what options you might have available.

Terminating employment

The human resources department will handle the administrative tasks involved in terminating the employment of affected employees. This may include updating personnel records and issuing final paychecks.

Offering severance pay and benefits

This may include payment for unused vacation time and the continuation of health insurance for a certain period of time.

Notifying employees

Informing the affected employees that their jobs are being eliminated and that they will be laid off.

Planning

Plan the layoff and decide which positions will be eliminated and which employees will be affected.

BEGINNING

CREATE ALTERNATIVES

The alternatives for a layoff might seem limited; however, between the humanity hackathon and strategy sessions, you might be surprised by what you come up with.

Here are a few examples of alternatives to doing layoffs.

- **Reducing the hours** of all employees or implementing a mandatory vacation policy to reduce labor costs.
- **Reducing the pay of all** employees or implementing a temporary pay cut is a way to reduce labor costs.
- **Offering voluntary buyouts** to employees, which may include a severance package in exchange for the employee's voluntary departure.
- **Reassigning employees** to different roles within the company is a way to avoid layoffs.
- **Hiring freeze** to reduce labor costs.
- **Implementing cost-cutting measures** like reducing discretionary spending or streamlining operations to reduce costs.

IMPORTANT

These alternatives require thoughtful strategic planning, clear communication, and detailed execution.

Only attempt these alternatives after seeking your advisor and legal counsel.

HOST LAYOFF DRILLS



Layoff Drill ensures that leaders are familiar with the procedures and protocols that should be followed during a layoff.

By conducting layoff drills, leaders and managers can become more comfortable and confident in their ability to respond appropriately, and they can identify and address any potential issues or challenges in the process.

Layoff drills can also ensure that internal processes, policies, and procedures are aligned and that leaders can communicate and coordinate effectively.

Additionally, layoff drills can help identify any areas that need improvement so that they can be addressed and corrected.

Layoff drills help leaders and managers prepare for and respond effectively to all situations involved with a layoff.

COMMUNICATE THE PROCESS



Now that you've done the hard work of dissecting triggers, causes, and solutions, you have a thoughtful and strategic Layoff Plan.

This huge.

You've successfully done everything to ensure you are being strategically thoughtful with layoffs.

Next, you want to condense the details into a statement or outline and share it in these three main areas:

Recruiting Process

Highlighting that you've strategically and thoughtfully thought about layoffs should they happen will put candidates at ease. If they ask you for a process, anyone will be able to speak to the overall process, establishing trust and confidence in the cultural infrastructure, which can be a determining factor if they choose to join.

Employee Onboarding

This is a great time to share your layoff statement and outlined a plan with new hires. Providing a sense of understanding of what could happen during tough times and that leadership took time to ensure that all areas were intentionally covered is a great way to establish and deepen **emotional commitment**.

Quarterly Gatherings

Once a quarter, during an All Staff or Town Hall review, the statement and outline with employees. Doing this reinforces your commitment to ensuring that no matter what happens, there is a plan behind the intention to endure that everyone is treated with respect and kindness.

USING HUMANITY

When everything has been said and done, the people laid off will mostly remember how they felt during this challenging time.

The best parts of our humanity will help be a guide to the entire layoff experience.

Below is a visual example of the duality of our humanity.

The top group of words best correlate with the better part of our humanity, and the bottom group correlates with the lesser parts of our humanity.

Agreeable	Ambitious	Analytical	Assertive	Astute
Attentive	Aware	Balanced	Brave	Bright
Brilliant	Calm	Capable	Caring	Cautious
Certain	Charitable	Chirpy	Compassionate	Confident
Considerate	Consistent	Cooperative	Courageous	Conscientious
Courteous	Decisive	Dedicated	Dependable	Determined
Devoted	Disciplined	Driven	Efficient	Egalitarian
Empathetic	Enduring	Enterprising	Erudite	Faithful

Aggressive	Apathetic	Arrogant	Belligerent	Biased
Boastful	Boorish	Bossy	Callous	Careless
Caustic	Complacent	Conceited	Conniving	Controlling
Cowardly	Curt	Cynical	Deceitful	Dishonest
Disrespectful	Egocentric	Evil	Exacting	Fearful
Finicky	Fussy	Garrulous	Glum	Greedy
Grumpy	Harried	Harsh	Haughty	Hostile
Ignorant	Immature	Impatient	Inconsiderate	Indecisive

USING HUMANITY (CONTINUED)

There may be a time when layoffs are inevitable in your company. If this unfortunate situation comes up, using humanity is vital.

Some of the points to emphasize as you've already done your layoff plan are:

Communicate clearly

It's important to be transparent and honest with employees about the reasons for the layoff and its specific impact on the company and the workforce.

Ensure that your leadership and management layer are trained and regularly practice different methods of clear and kind will be a huge benefit during this time

Be kind and respectful

Each person being laid off is a human, and some might have humans that will also be affected. This can't be anchored enough to treat everyone with respect and kindness.

Treating employees with respect and dignity during the layoff process is essential. This may involve offering severance pay and other benefits to affected employees and providing outplacement assistance to help them find new jobs.

You have such a prime opportunity during this challenging time to move with the intention of making sure you do all you can to make sure the people being laid off feeling like they are being treated like humans and with kindness.

If this were the only step you do, it would be enough to guide the other steps involved.

DO'S AND DON'TS



Do

- **Have a Layoff Plan and review it often.** Having a layoff plan that you review quarterly ensures that you are proactive and preventive when it comes to layoffs.
- **Proactively address potential triggers** on a quarterly/seasonal basis. Deal with minor adjustments before they become significant interruptions.
- **Communicate that success and failure are a part of business** and be transparent on how layoffs happen and what they might look like if they do.
- **Have a change management communication plan.** Most of the time, with layoffs, it isn't the why or the why that is happening; it's the how. Here are [8 Simple Steps To Change Management Template](#) that can help.
- **Take full responsibility for the layoff.** Take responsibility as a company for whatever reason the layoffs are happening. Own it and do your best to ensure you don't have to go through it again.
- **Be Kind.** You have no idea what your employees are going through, and layoffs can hit hard. Being kind is free and can go a long way.

DO'S AND DON'TS (CONTINUED)

Don't

- **Cut off access without warning.** It's essential to communicate before ending access. Suppose you are concerned with employees acting retaliatory because of the layoffs. In that case, this assumption stems from something rooted in the culture and needs to be addressed.
- **Treat the employees as if they did something wrong.** Until now, your employees have shown up, giving time and energy they will never get back. Honor that and treat them well during this process. **Each person you layoff becomes a potential customer, referral, and brand marketer for your company.**
- **Avoid doing the work.** Don't wait to work on the potential triggers. Deal with the minor things earlier because they can grow into significant things later. If your managers need training and coaching, invest in that now.
- **Speak badly about anyone.** Gossip or bad-mouthing people are toxic to the company culture.
- **Post the same job 6 months-1 years later without reaching out** to those who were laid off. If you find yourself recovering from a layoff and the eliminated positions become available,
- **Be reactionary during layoffs.** Avoid being reactionary and matching the energy of a layoff. Be responsive and proactive to ensure you thoughtfully address each layoff phase.

THE FUTURE OF LAYOFFS

As long as there are companies and people, layoffs will continue to happen - It's inevitable.

However, the way that layoffs happen can be altered and changed to ensure that they **don't carry such a heart-dropping-to-stomach feel.**

Layoffs can be **a natural conversation** and opportunity for co-creating solutions to avoid and prepare for them.

They can allow people that might be affected to **prepare mentally, emotionally, and financially.**

They can give companies deeper insights into proactively finding solutions that minimize triggers and allow for some buffer space to avoid layoffs altogether.

The future of layoffs is where layoffs are **not an excuse to let go of someone** because the company doesn't know how to have conversations when they are supposed to happen.

The future of layoffs is **kind and respectful** to all involved, no matter the reason.

They are **honest and transparent**, allowing companies to create lifelong brand ambassadors because of how well they treat people during the process.

The future of layoffs is unfortunate events that **yield an abundance of learnings for all.**

THE FUTURE OF LAYOFFS (CONTINUED)

The future of layoffs isn't one-sided where company and people are divided, but more of a **mutual understanding that success and failure exist in the same room.**

The future of layoffs is done in such a way that when someone says they were laid off, they follow it up with, but **the company did it in such a way that honored me and everyone** involved.

The multi-generational workforce is more tapped into what humanity is designed to look and feel like and will be looking toward the future not to escape the present but to see which companies are thinking and preparing for it thoughtfully.

**THANK YOU FOR YOUR DESIRE TO DO LAYOFFS
WITH HUMANITY**

May your company culture live long and prosper.

With Gratitude,
Charisse

P.S. Vibe with this Guide? Have a topic you would like to see covered next? Let us know. Email hello@culturecircle.co.



GOT CULTURE GOALS?

LET'S TALK.

HELLO.

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PINEAPPLE?**

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