How to Manage a Layoff Using Strategic Communication
*Five approaches for communicating tactfully during an organizational layoff*

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Executive Summary

Leaders commonly serve as the central voice within an organization. However, much of what we now know in crisis communication is that message control is that it is easier said than done. It is exceedingly difficult to determine the way in which the message will be interpreted (Falkheimer & Heide, 2006), who in particular will be interpreting the message, and finally the way the message will influence the audience.

In crisis communication, the unpredictable system of strategic communication is particularly salient and potentially problematic. Crises often elicit heightened uncertainty and fear amongst everyone who is involved. As a result, more recent literature suggests that alternative methods to crisis communication can be beneficial. Namely, it has been suggested that for crisis environments a postmodern approach might supersede traditional top-down strategic communication. A postmodern approach encourages giving voice to those marginalized, minimizing suffering, and embracing the impossibility of message control.

The present paper employs a postmodern approach to crisis communication in the context of employee layoffs. In drawing from best practices in crisis communication and organizational layoffs, the best practices for layoff communication are then proposed. This white paper suggests that organizations implementing layoffs would be well served in adhering to the following guidelines, in demonstrating that ‘Management CARES’:

- Celebrate past accomplishments.
- Allow everyone to speak.
- Resources should be abundant.
- Empathize with departing employees.
- Speak the truth.

These best practices for communicating during a large-scale layoff are proposed with the hope that in adopting best practices the negative outcomes of the crisis can be minimized. Importantly, a postmodern approach can minimize suffering and potentially positively affect those who have lost their jobs, those who remain with the organization, the organization as a whole, in addition to the broader community.
INTRODUCTION

Today, large-scale organizational layoffs are not uncommon. In 2011, organizational layoffs exceeded 6,500 events that involved more than 50 employees losing their jobs (Bureau of Labor Statistics). It is important to distinguish between routine and non-routine layoffs. In some cases, layoffs are implemented as a routine strategy for maintaining organizational spending. Often described as “rightsizing” which is the strategic process the organization undertakes to employ the appropriate number of employees and minimize organizational spending (Cascio, 2009). Typically these routine layoffs occur in more stable environments and the events are well planned and organized. However, often layoffs are non-routine and more readily align with scenarios described as crisis situations. These crisis layoffs are more turbulent and therefore can incur more risk.

Just recently, Hostess closed 33 of its bakeries and announced that it would lay off most of its 18,500 employees (Hostess.com). It might be assumed that the way employees are treated during the layoff has little importance, given that these individuals will no longer be working for the organization. On the contrary, the way in which a layoff is communicated has critical implications. The termination of the many jobs can impact those departing employees, remaining employees, as well as potential future buyers, future employees, and future consumers. Layoffs improperly implemented can severely threaten the vitality of the organization (Cameron et al., 1994). The way Hostess navigates their layoff process will have severe consequences for any future business endeavor they pursue. Perhaps more importantly, their layoff will have long-term implications for those employees who have lost their jobs.

There are countless devastating outcomes that can result from a haphazard approach to cutting jobs. Layoffs can involve a loss of innovation, diminished trust, and a severe loss of intellectual capital (Sherman, 2012). Perhaps most importantly, a layoff can cause critical relationships with important stakeholders to suffer. Specifically, layoffs can threaten relationships with departing employees, remaining employees, customers, business partners, and the community at large. The imminent threats that are associated with organizational layoffs make this consequential process well deserving of attention from organizations. In particular, cautious and strategic communication is essential for successful implementation of an organizational layoff.
CRISIS COMMUNICATION

Many organizations and government agencies garner strategic communication to achieve their goals. By definition, strategic communication involves coordinated communication efforts to inform or persuade one’s audience to support the coordinated objectives (Paul, 2011). This process is described as having four objectives which includes informing or persuading, second labor toward meeting objectives, third, coordination of information, and last communicating with one’s actions. Importantly, these strategic efforts of communicating the message should be done with consistency and in a way that ensures that the uniform message has the desired “affect on the environment” (Paul, 2011, p. 6). However, in the event of a crisis, one’s communication strategy becomes tricky.

Crisis Communication Defined

By definition, crises are specific yet unexpected and unpredictable events. The overarching aim of crisis communication is to manage perceptions to ensure harm is minimized for both the organization and its stakeholders (Reynolds, 2006). Crisis communication is described as a strategic organizational effort to communicate with key stakeholders with the hope of minimizing damage and harm (Sellnow et al., 2010). Interestingly, there is much evidence that suggests successfully overcoming a crisis is largely dependent on the ability of the organization to communicate effectively. As such, the best practices for communicating in a crisis are important to consider.

Best Practices for Crisis Communication

The best practices for crisis communication have been well debated, and a definitive list is yet to be resolved. The discussion of best practices is headed by Seeger, who argues that crisis communication should be (1) imbedded within organizational processes, (2) pre-planned, (3) partnered with the public (4) informed by public concerns, (5) open and honest, (6), partner with credible sources to craft a consistent message, (7) engage with and remain accessible to the media, (8), communicate with empathy and compassion, (9) acknowledge uncertainty, (10) and foster self-efficacy (Seeger, 2006). There is general agreement that these principles are valuable (Reynolds, 2006) with an additional commentary noting that organizations should serve as the first and best source of information (Heath, 2006). Finally, it is also suggested that the seventh
principle should be expanded, noting that media behavior should be closely forecasted and continuously monitored (Roepik, 2006).

While there has been general agreement on best practices for crisis communication, there has also been some dissent. Specifically, Sandman (2006) objects to the sixth principle, which urges partnering with credible sources for a single consistent message. It is argued that one unified message may not be the best approach, and moreover may be an unattainable goal. Further, there seem to be contradicting principles within the best practices. Namely, partnering with credible sources contradicts with the ninth principle that advocates for acknowledging ambiguity and uncertainty. The existence of both consensus and disagreement within best practices for crisis communication suggests this model merits a closer examination.

**Previous Approaches to Crisis Communication**

**Managers should be the main voice.** Commonly, crisis communication is conceptualized, implemented, and communicated from the top to the bottom. Management typically serves as the dominant voice and is urged to be front and center in managing the crisis (Robbins, 2009). Similarly, Casio (2009) argues that relaying information should include frequent communication that moves from the top to the bottom. For better or worse, there is common agreement among both leaders and employees that the voice of management is center stage.

**Tightly control the message.** Control over the message has been a prominent strategy in crisis communication. In addition, it has been suggested that the organization should immediately communicate the same information to everyone. Further, this information should be conveyed quickly after plans have been finalized (Booth & Smith, 1995). Indeed, many communication scholars subscribe to the best practices that there is no such thing as “too much communication”. Overall, the traditional best approach to constructing a message is that there should be one, consistent, over-communicated message.

**Novel Approaches to Crisis Communication**

**Voices are diffuse.** While it is an appealing thought for management to serve as the main voice, this model is unrealistic and potentially problematic. Crises situations that aim for centralized communication are highly susceptible to dissenting voices such as gossip and rumors. Further, these unorganized and hidden lines of communication are then susceptible to miscommunication (Reynolds, 2006). In actuality, voices are often decentralized in a crisis or
layoff, and the communication environment is typically chaotic. This decentralized communication environment should not be contested, but rather should be harnessed.

**Multiple, diverse messages are beneficial.** Interestingly, recent literature suggests that multiple, diverse messages are more realistic and effective for communicating a message. For example, Corman and Dooley (2008) advocate for the dismissal of the antiquated one-way model of strategic communication. Instead, a more dynamic two-way model of communication is encouraged, which emphasizes the importance of two-way communication, planning for message failure, and acknowledging audience complexity. Along these lines, it has been suggested that these complexities in strategic communication can be assuaged by the adoption of a postmodern approach crisis communication (Tyler, 2005).

**Postmodern Approach to Crisis Communication**

Tyler (2005) identified these weaknesses in the model of crisis communication and advocated for the adoption of a postmodern view of crisis communication. Pulling from Lyotard’s (1984) position, Tyler views postmodernism as a project in support of dismissing of the overarching “grand narratives” that are constructed by and for organizations. Instead of focusing on the dominant narratives we should attend to empowering the voices that are customarily powerless and marginalized. Competing and simultaneous voices are more realistic in an organizational environment and should therefore be encouraged.

In the event of a crisis, this postmodern approach has been deemed a practical and humane strategy for responding to negative events. Given the value of a postmodern approach to crises, the present paper seeks to apply this model to organizational layoffs.

While best practices in a layoff encourage two-way communication, it is a practice seldom enacted. Adopting a postmodern perspective provides a unique approach to layoff communication. Customarily, layoffs are a top-down process, with little to no feedback being encouraged from individual employees. In order to consider the merit of this approach, an overview of organizational crises will be presented, followed by background and best practices for layoff communication.
ORGANIZATIONAL CRISIS

The term organizational crisis is included under the umbrella term of a crisis. Crises in organizations vary widely in their typology, and consequently approaches taken to manage crisis will also vary widely (Seeger, 2006). Organizational crisis can include many different types of events. Examples of such organizational crises include product failures, unethical or poor management practices, economic hardship, and in some cases company-wide layoffs. While crises are seemingly negative, the outcomes of these events are not all bad. While organizational crises certainly present potential threats there can also be numerous opportunities that present themselves in these times of change (Sellnow et al., 2010). Although, capitalizing on crisis opportunities is more likely within organizations that adopt and adhere to best practices for a layoff. In what follows, a postmodern approach to the best practices for layoff communication are presented.

Communicating a Layoff

The best practices for layoff communication have also been well researched and the bulk of layoff literature supports the notion that top-down, one-way communication processes do not work (Cameron, 1994). The top-down approach to layoffs has been likened to “throwing a time grenade into a crowded room, closing the door and expecting the explosion to eliminate a certain percentage of the workforce” (p. 197). However, what does seem to work is a bottom-up approach that involves two-way communication.

**Best Layoff Practices.** One in-depth analysis of 30 layoffs aimed to identify the best and worst practices. In correlating organizational practices with resulting company outcomes researchers have been able to closely consider the effective and ineffective strategies for a layoff (Cameron, et al., 1987). The top five performing organizations were then examined more closely and an extensive list was compiled of the best practices for handling a layoff. Interestingly, the top performing organizations actually experienced improvement after a layoff. Identified successful practices include high employee involvement, increased communication, and an incremental workforce reduction in contrast to a swift reduction in staff. Specific to communication, it is suggested that everyone should be kept fully informed, frequent communication of information is important, and ongoing feedback should be encouraged (Cameron et al., 1987). In essence,
communication was a two-way conversation, not explicit directives given to employees.

**Poor Layoff Practices.** While layoff communication sounds simple and straightforward in theory, organizational layoffs are rarely implemented with adherence to established best practices. The negative behaviors organizations use have been labeled as the “dirty dozen” and accordingly these efforts should be avoided. Among these negative practices, the poor strategies related to communication include centralized decision making and a restricted flow of communication (Cameron et al., 1987). Again, findings demonstrate that control of information in a top-down process is a toxic element in a layoff environment. Additionally, organizations often neglect to show humanity towards the departing employee. Often, layoffs swiftly and secretly involve the removal of human beings, many of which have served your organization with loyalty and hard work for many years. There is often little sense of responsibility, or concern for the well being of the individual departing but rather the focus is on those remaining employees. Ironically, it is the treatment of those departing employees that speaks volumes. Consequently, the literature on organizational literature supports the adoption of a postmodern approach to layoffs

**RECOMMENDATIONS FOR A POSTMODERN APPROACH TO LAYOFFS**

Commonly, positivist approaches are adopted as a default method in organizational studies. Positivist approaches are often adopted due to organizational psychology’s historical foundation that has been built upon a positivist paradigm. However it has been suggested that exploring topics from various theoretical perspectives can be valuable in gaining new insight into subject being explored (Symon & Cassell, 2006).

Many have recognized that scholars and scientists have different research questions, as well as different philosophies on how these research questions should be addressed.

Appropriately, Abbot’s *Methods of Discovery* (2004) delineates a set of heuristic tools that can be used to consider their research questions from the lens of a different theoretical perspective. Opportunely, these fractal heuristics assist researchers in understanding research questions using diverse methods that can assist researchers in solving personal research puzzles.

Within organizational psychology, Symon and Cassell (2006) position that there are no work topics that should be restricted to positivist methods. Provided that best practices for a
layoff align with a postmodern approach, it is worth explicitly envisioning the way in which this approach might be useful. Further, employing this practices in organizational layoffs can be exceedingly valuable for the employee and the organization as a whole. Therefore, in what follows are general recommendations for a postmodern approach to layoff communication. The best practices for management are outlined, with a corresponding acronym that symbolizes a postmodern approach that “Management CARES”. Because management cares, in communicating during a layoff management would benefit from adopting the following practices:

Celebrate past accomplishments and hard-work
Allow Everyone to Speak
Resources should be Abundant.
Empathize with Departing Employees
Speak the Truth.

**Celebrate past accomplishments and hard work.** In layoffs, many organizations fail to see the importance of treating exiting employees with respect and dignity. Furthermore, a tarnished public image reduces the loyalty and commitment of present employees in the organization.

Employees that are departing should be given celebratory recognition. While employees may be exiting the organization, much of their accomplishments and contributions to the organization will remain. The accomplishments of these departing employees should not be overlooked simply due to the negative atmosphere surrounding the downsize. Provided that employees are open to acknowledgement and celebration, they should be given the opportunity to be publicly commended for their contributions to the organization. Symbolic gestures often lift employee morale (Seeger, 2006) and might enhance company wide organizational morale.

In addition, this celebration of employee contributions can only serve the employee positively. Exiting employees will feel appreciated and genuinely believe the organization would have preferred to keep the employee. It is important for this newly unemployed individual maintains their self-esteem as they enter the job market looking for work. In celebrating employee accomplishments, this gesture also publicly declares the skills and virtues that are
possessed by the individual. This public recognition then increases the likelihood that others will recognize their skills and abilities, thus increasing their access to alternative work opportunities.

Lastly, celebrating employee contributions may unintentionally enhance the image of the organization. Publicly applauding benchmark accomplishments also highlights the strengths of the organization as well as publicly establishing what type of behavior will be appreciated and rewarded and by the organization. Celebrating employee contributions can prove to benefit everyone involved.

**Allow Everyone to Speak.** A postmodern approach supports that employees should given a voice. Allow employees speak, and provide them a platform that ensures they will be respected and everyone will listen. Foremost, allow employees to express how they feel about the situation. Once employee emotions have tempered after the layoff, they should have the opportunity to express their opinion and emotions regarding the decision to layoff, and the procedures the organization underwent. This information can be additionally useful for enacting future layoffs.

Finally, allow employees to determine how they want to depart from their jobs. Provide employees the opportunity to have a departure that provides grace and dignity. Do not march employees out of the building with their belongings in boxes (Cascio, 2009). Finally, employees should also be given the opportunity to say their proper good byes. Cascio’s suggestions are humanistic from the top-down. Here I expound upon Casio’s suggestions, and suggest humanism works from the bottom-up. Truth be known, laying off employees is not a failure of the employee but rather a failure of the environment or the organization.

The greatest deterrent of negative outcomes in a layoff is increased communication and employee participation. The literature on organizational layoffs supports the encouragement of employee feedback. In fact, the greatest deterrent of negative outcomes in a layoff is increased communication and employee participation. Employee involvement in the layoff process has been determined to be a valuable deterrent of negative outcomes. Human relations in general have largely associated with deflecting the negative outcomes including increased employee effort, and increased teamwork (Cameron, 1994).
This principle of allowing everyone to speak directly contrasts with the notion of one single leader maintaining control of all communication processes. However, the picturesque plan of crisis communicating involving one voice is highly impractical and unattainable. One credible source of information inevitably curtails the voices and of others. Further, this type of tight communication lends itself to forced consensus and eventually the surfacing of disgruntled, dissenting voices (Sandman, 2006). Encourage two-way communication. Allow employees to have the opportunity to speak, ask questions, and provide feedback (Mishra et al., 2009).

In the effort of giving voice to those laid off, a positive image of respect for others is then embodied by the organization. Crisis observers witness the way the organization treats employees and this treatment subsequently contributes to the reputation of the organization. Research regarding Corporate Social Responsibility (CSR) highlights the organizational advantages to doing good deeds such as engaging in philanthropic activities. In treating others well, the organization builds integrity and is the perceived well by others. Building integrity enhances the public reputation or the organization (Gillis, 2011). Public reputation is fittingly paramount to the vitality of organizations, making ethical treatment of employees an important concern during a layoff.

**Resources should be abundant.** Departing employees should be provided with a sense of self-efficacy, meaning they should perceive that they have a sense of control and empowerment over their future (Seeger, 2006; Heath, 2006). In times of fear and uncertainty, individuals greatly benefit from feeling a sense of self-efficacy. Organizations should empower individuals with as much information as possible that could reduce their harm or the potential of harm to others. What’s more, the directives for the employee should be explicit (Sandman, 2006) and clearly outline the tools that are available. In what follows are explicit ways to communicate a sense of self-efficacy for the employee:

- **Prepare Employees.** Assist departing employees by providing them as many tools as possible to embark on the job search. One such suggestion is to provide employees with assistance preparing their resumes (Booth & Smith, 1995). Additionally, it has been suggested that it can be helpful to provide employees with additional vocational training prior to their departure (Cascio, 2009). Job rotation and peer training programs are often
minimal cost and can give individuals with additional skills to take with them on the job search.

- **Encourage Other Opportunities.** Out-placement services assist employees in transitioning out of the organization (Cameron, 1994). Organizations should seek to partner with similar companies that are hiring. Simply because your company is looking to downsize does not mean other companies are too. Reach out to similar and nearby companies that are looking to hire. Providing out-placement services for employees can be useful in mitigating negative organizational outcomes and can reduce feelings of guilt experienced by remaining employees. Everyone will appreciate your service as a liaison between organizations.

- **Communicate Employee Strengths.** On an individual level, it can be valuable for the employee to know their personal strengths in the workplace. In their time with the company, it is likely they have been monitored and evaluated. Let individuals know possible career avenues and personal strengths they have to other companies.

**Express empathy.** In crisis communication, the expression of empathy and compassion for those suffering (Seeger, 2006) can humanize the tragedy. The value of expressing empathy is similarly important in the context of a layoff (Cascio, 2009). Relaying genuine empathy in your message will be well received by everyone, including both the employees lost and the employees that will remain. Along these lines, it has been suggested that psychological counseling should be made available to employees (Booth & Smith, 1995). Losing a job can be traumatic. Although, making counseling services quickly available to those in need can help to minimize suffering.

It may also be advantageous to label the situation in a positive way. Cameron (1994) proposes numerous words that can be used in lieu of the term downsizing. Among the 35 words proposed, a few more positively valenced words include reorganizing, rebuilding, reshaping, rightsizing, and restructuring (p. 192). These words sometimes have different meanings with different connotations. If possible, gently framing the layoff situation can compassionately break bad news to employees. Without question, softened language can minimize the harm that is done.
to the employees. For example, telling employees that their job has been eliminated due to a company "reorganization" might be less hurtful than losing a job from a “ratcheting-down”. Ultimately, the aim is to minimize human suffering, and this can certainly be facilitated with a tactful use of language.

**Speak the Truth.** Openness, honesty, and candor are important in precarious environments (Seeger, 2006), and this principle remains true in a layoff. All employees should know that organizational leaders are a valuable resource for information and are willing to share this information. Certainly, leaders will not be the only source of information for employees, but they can be the first and best source of information (Heath, 2006). Share the information you have, as keeping secrets has benefits no one (Barrett, 1995). Transparency is essential.

While keeping secrets is not acceptable, it is reasonable to openly acknowledge that a layoff is an ambiguous and uncertain occurrence (Weick, 2003). By definition, crises are unpredictable. It should be expected that processes would be multilateral and dynamic rather than bilateral and linear (Tyler, 2005). The organization should openly admit that the sequence of events will be ambiguous and uncertainty is unavoidable, and the present situation is a fluid (p. 241). Employees will appreciate the honesty exhibited by leadership.

Finally, clearly describe and justify the rational behind the way in which decisions were made (Tyler, 2005). Communicate the process the organization underwent in deciding to implement the layoff. Further, communicate the process in which the organization decided which jobs would be eliminated. In communicating the decision-making processes, employees will be more likely to perceive fairness in the procedure (Cascio, 2009). This procedural fairness not only eases ambiguity but can also minimize the likelihood of potential legal issues.

**CONCLUSION**

Ultimately, the decision to implement a layoff should not be taken lightly. A layoff should serve as a last resort for an organization as these processes rarely result in enhanced performance (Cascio, 1997) or financial gain (Cascio, 2002). However, if a layoff is inevitable, it is of the best interest of everyone if the communication processes are undertaken with care.

Notably, few individuals prepare to be sick or debilitated. Similarly, organizational leaders likely invest little time considering what they will do in an economic downturn or how
they will communicate layoffs to their employees. As a result, few organizations are adequately prepared for the events that ensue with the rise of this unique type of organizational crisis.

Within organizational literature there is little guidance on how to effectively manage a downsizing or a massive layoff. Some have offered layoff guidance based on little theoretical grounding. There is even fewer literature provided within the communication discipline on how to successfully undergo a layoff. While it has been argued that crisis communication should be top-down (Robbins, 2009) with a controlled message (Booth & Smith, 1995), although this model does not readily align with the scenario of an organizational layoff. Ultimately, the most humane way to communicate during an organizational layoff is a bottom-up approach. This bottom-up, postmodern approach to layoffs provides an opportunity for everyone to benefit from a layoff. Most importantly, appropriate layoff communication can assuage or eliminate human suffering altogether.
References


