

### OUTPLACEMENT

# Focusing on people key to successful restructuring

*Manage the process in a well-planned fashion  
that is dignified and respectful*

By Corey Daxon

**S**tatistics Canada reported sunemployment at a new four-decade low earlier in 2019. So, why are large restructurings still happening?

Significant economic and market forces including automation, artificial intelligence and global trade are forcing Canadian companies to face one of the most painful decisions an organization can make — a corporate downsizing.

As organizations struggle with this decision, the first question asked should be “Do we really need to do this?”

Large layoffs negatively affect stock prices, reduce profitability and result in a significant decline in survivor job performance, according to a the 2018 *Harvard Business Review* article “Layoffs That Don’t Break Your Company.”

Organizations fared much better when they were able to avoid the “quick” solution of downsizing by implementing employee training, coaching, skills development and role re-assignments.

More employers are creatively finding ways to make longer-term investments with existing employees, outweighing the short-term financial gain of layoffs.

#### Making the move

If it is determined that an organization has to proceed with a large restructuring, managing the process in a well-planned, organized fashion that is dignified and re-

spectful of the people being impacted is key.

Striking a balance between being overly process-driven versus being too empathetic is vital in preparing for the discussions. It is important to remember that those being impacted were at one point hired by the organization, trained by the organization and contributed to the business.

How this process is handled will impact the reputation of the company, its leaders, management and the well-being of both survivors and impacted employees.

While every scenario is unique, the following steps are valuable in preparing for the termination day:

#### Step 1: Plan, plan, plan

The early involvement of executives, HR and the legal department in the creation of an activity plan is a must. There are an incredible number of moving parts in this process. While surprises are bound to happen, a well-thought-out plan will help ensure consistency in messaging, activity flow and timing while focusing on the most important aspect of the day — preserving the dignity of impacted employees.

Larger projects can be overwhelming from a resourcing standpoint, so consider using a career transition firm in helping with both the planning and implementation of the day.

Avoid round after round of smaller layoffs in favour of a single-



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day activity. Employer brand, employee morale and productivity are hit harder with three layoffs in one year versus a one-time event.

A meeting in advance to prepare managers with key messaging and process overview, and to equip them on how to deal with emotions involved, including their own, can be incredibly helpful. Layoffs are

difficult for managers as well.

If a manager finds the process easy, they probably shouldn’t be managing people.

Regarding timing, early morning is better than late afternoon. Impacted individuals will be able to arrive home and access any support required immediately, prior to the end of a business day.

## **Step 2: Delivering the message**

Large group terminations typically are delivered in one of two ways — an announcement to the group or one-on-one discussions with HR and the manager. By far the best way, when resources allow, is to deliver the termination message to each individual separately.

While this is a group being impacted, for each individual, this is a very personal process and everyone will react differently. Dealing with someone one on one is the most respectful way to deliver this difficult message.

It allows a person to deal with emotions and reactions in a private, confidential setting rather than in front of a large group of peers.

When properly planned, most employers can create a schedule to allow one-on-one discussions to take place. Adding resources into the process by involving support from a career transition firm

can significantly increase the number of people who can be met with individually.

If the message has to be delivered to a group, it should quickly be followed by individual meetings throughout the day to address everyone impacted one on one.

## **Step 3: After the message is delivered**

When multiple people are being impacted, many organizations avoid having a person walk back to their office to gather their belongings and instead choose to have a person's immediate items (such as their keys, coat and wallet) brought to them.

This avoids the embarrassment of conducting a "clean-out" in front of peers and helps prevent emotions from spilling out at a difficult time.

Another best practice is allowing an individual to keep their company phone for a short period of time. Despite being company property, many people use these

devices as their primary communication device.

Disabling company email while still maintaining the "phone" portion of a device lets someone have a means of communication until they can secure an alternative.

Lastly, having a career transition firm onsite for support is standard practice. Career-transition counsellors are trained in dealing with the emotions involved in these situations, and they can help individuals with short-term strategies around family communications, managing their leaving story and providing a sense of well-being by demonstrating that support is available.

## **Step 4: Support after the termination**

How a company handles the situation will be closely watched by both impacted individuals and survivors, and it will impact an organization's reputation.

Leadership should deliver a clear message to survivors about the changes that took place and what the future strategy looks like.

Career-transition support should be provided to outgoing individuals with a focus on one-on-one individual support.

When layoffs have to occur, the focus should be totally on the people. Impacted team members are people with families who contributed to the company and should be treated with respect.

Doing a lot of small things right through the process can protect reputations — both personal and corporate — and will be remembered.

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*Corey Daxon is president of Feldman Daxon Partners, a national provider of career transition, coaching and executive search in Toronto. He can be reached at [cdaxon@feldmandaxon.com](mailto:cdaxon@feldmandaxon.com) or (416) 515-7600 ext. 235.*