

## **Communicating During Layoffs: Get It Right Or Get Burned**

America's long run of low unemployment appears to be at an end – at least for now. According to the U.S. Department of Labor's Bureau of Labor Statistics, during 2001, 21,345 mass layoff events occurred in the U.S., resulting in job losses for nearly 2.5 million people. (A mass layoff involves at least 50 people from a single establishment.) By year-end, some 8.3 million Americans were unemployed, raising the unemployment rate to 5.8%.

Layoffs are back! They are significant events that have serious personal consequences for employees and economic consequences for communities. They also have internal and external communications implications. Handled improperly, communications can make a difficult situation worse, especially for employees, and can damage an organization's reputation and perhaps its bottom line.

A few cases in point: Several years ago, InaCom Corp., a computer dealer, sent many of its more than 5,000 employees an E-mail asking them to call a toll-free number. When they did, they heard a recorded message firing them! More recently, an Enron employee was let go by voice mail. And one of his colleagues was told to clear out his desk in 30 minutes.

Clearly, every layoff is unique, and the communications plan associated with it will, and should, vary. But what remains constant is the importance of developing and implementing a plan. This article provides some guidelines to assist in that effort. It serves as a useful template for communicating during that most difficult of corporate developments – downsizing.

Be sure your plan identifies all individuals – such as those at the corporate or division level, in communications, government and investor relations, and other functions – who will be implementing the plan. Advise them sufficiently in advance of the announcement so they can prepare properly, and provide them with all relevant background information, talking points, likely questions, etc. It is essential that all spokespersons “sing from the same song sheet” by communicating the same facts, rationale and tone when talking to employees, investors, reporters, elected officials, civic leaders, etc.

### **Employees**

Employees are the most important audience in any layoff. Give careful consideration to how and when they learn of the announcement. Simply put, employees must be the first to be told. Take precautions to ensure that they do not learn of the action through the media or through employees at other company locations.

Whether employees are told in a group meeting or in small sessions by their supervisors, a good rule of thumb is for employees to get the word about 30 minutes before any reporter does. Also consider how and when you will notify employees not on site (e.g., those on another shift, on vacation or who are ill).

For a major layoff, such as the closure of a union facility, local and perhaps national union leaders will need to be notified in advance. In such cases, all parties need to agree to the announcement timetable and must maintain confidentiality in order to prevent damaging leaks.

Research shows that most employees prefer to get information from their immediate supervisors, senior executives and small-group meetings – in that order. When communicating bad news, avoid using impersonal forms of communication, such as E-mail, voice mail, written memos or bulletin board announcements as the primary communications vehicle. That's not to say employees should not be given a copy of a news release, internal announcement or other communication (all of these can ensure that a consistent message is delivered). But use these communications in tandem with, not in place of, personal communication.

Make an effort to ensure that the communications are straightforward and understandable (e.g., no jargon), appropriate in tone (i.e., empathetic) and consistent (no conflicting or mixed messages). Professional communicators should be involved in writing, scripting, editing or reviewing these communications.

Because layoffs can have an impact throughout an organization, determine whether the development is such that it needs to be communicated to employees at other locations.

## Media

A key decision to make is whether to hold a news conference, issue a press release or simply develop a standby response statement to be used to respond to media inquiries. When the number of layoffs is small, proactive communication with the media is probably not warranted. However, in situations involving larger number of employees or where the facility is located in a small community, a proactive approach is best.

Initiating media contact regarding bad news often results in more balanced coverage. Dealing openly with the topic gets it out of the news more quickly than attempts to hide the facts, which cause reporters to dig them out – giving the story a longer life.

In general, news conferences afford a more controlled environment where the spokesperson can outline the company's plans and answer follow-up questions all at once rather than having them asked over a period of several days.

Likewise, news releases provide an opportunity to help shape media coverage. It may be advisable to develop several versions of the news release – one for local distribution (emphasizing people-related issues, such as severance pay or outplacement assistance) and another version for the trade and general business press.

Aside from a news release, several written pieces may need to be developed: A standby response statement contains the “must airs” or key points you want to make and you would like to see reporters include in their stories. The Q&A anticipates reporters' questions and provides succinct responses to them. A facility backgrounder contains historical or other relevant information about the facility. Some or all of these pieces can be used to brief employees (such as those in investor or government relations, etc.) who need to be familiar with the details.

Because the local facility manager serves as the “face” of the company in the community, and because reporters generally seek out and want to hear directly from that person, he or she should have the confidence and competence needed for a successful encounter with the media. Determine whether media training or perhaps a media training refresher is needed. Additionally, it may be advisable to hold a practice session (preferably on-camera) in which the spokesperson delivers the key messages and has the opportunity to answer questions.

*Prior to making any announcement, give thought to the following:*

- What response will you provide to reporters who hear rumors of the layoff, and call seeking confirmation before any announcement is made?
- How will you respond to reporters' requests for on-site visits for photos, or interviews with employees who are affected by the layoff?
- Are you prepared to respond quickly to serious errors in reporting? (Do you have an up-to-date list of media contacts, including phone numbers?)
- Do you anticipate any negative employee or community reaction to the announcement (e.g., demonstrations or other protests), and if so, what contingency plans are in place to deal with that reaction?

After the announcement, monitor the local (and perhaps even national) news and op ed coverage (e.g., editorials, letters to the editor) as one way to gauge public reaction and to determine the accuracy of the news coverage.

In some instances, it may be appropriate or necessary to place an ad (e.g., explaining the layoff, soliciting employment opportunities for those affected, etc.) in the local newspaper. Advertising gives you greater control over the message that is delivered.

### **Government Officials**

Don't forget to communicate with local, state and federal officials during significant downsizings. It is important to contact these officials as a constituent courtesy and as an affirmation of good corporate citizenship. Initiating contact with government officials is beneficial for many of the same reasons as initiating contact with the media. It allows officials time to prepare a response that may be more balanced and favorable than one given where the official learned of the event from another source.

Typically, a company's government relations function takes the lead in contacting appropriate state and federal officials, while a facility manager takes responsibility for contacting local officials, civic leaders and regulatory agencies. The news releases and other written materials prepared for media communications can also be used for government-related communications in order to ensure consistency of message.

### **Other Notifications**

Beyond employees and the media, there are many other audiences who may be affected by a layoff. For example, proper notification of suppliers (from major utilities to janitorial services) and customers is also critical. If layoffs affect how a customer is served, develop a plan to ensure that service is not disrupted. For instance, if a distribution center is closed, employees in sales, customer service and other distribution centers must understand (and, if appropriate, be able to articulate) the rationale behind the action. Also consider the host of other community leaders and organizations that may have strong ties to the facility.

The bottom line is this: Communicating effectively during layoffs requires a coordinated plan, developed and executed by various staff working in concert with one another.

Various functions within an organization should be consulted during the process of developing a communications plan or should be provided information developed as part of that plan.

## **Communicating During Layoffs**

### **Checklist**

#### **Employees**

- Have the appropriate functions (e.g., PR, HR, IR, legal, government relations, sales, operations, marketing, customer service, etc.) been included in the planning process?
- Will those directly affected by the action (including employees not on site – off shift, on vacation, ill, etc. be notified first?
- Union leadership
- Appropriate method of notification (personal vs. impersonal)
- Are communications clear in meaning, appropriate in tone, consistent?
- Are plans in place to communicate with non-affected employees (intra- and inter-facility, division, corporate)?

## Media

- News conference
- Press release(s)
- Identify key media
- Standby response statement
- Q&A
- Company/division/facility backgrounder
- Identify spokesperson(s)
- Media training (including refresher) and/or practice session needed?
- Post event monitoring (e.g., news and op ed coverage) to gauge public reaction
- Have you anticipated media inquiries that may come prior to your announcement?
- Have you anticipated reporters' requests for on-site visits or employee interviews, including interviews with hourly employees?
- Do you have contingency plans for dealing with serious reporting errors and negative employee/community reaction?
- Identify local PR firm, if needed
- Advertising

## Government Officials

- U.S. senators/representatives
- Governor
- State senators/representatives
- State economic development office
- Mayor/city manager
- City council member(s)
- County commissioner(s)
- Regulatory agencies (e.g., environmental)
- Host country government officials/U.S. officials based abroad

## Others

- Suppliers
- Customers
- Chambers of commerce, local economic development commission
- Neighboring facilities
- Local emergency planning committee (LEPC), community advisory panel (CAP)
- Civic and other groups with strong ties to the facility (e.g., schools, charitable organizations, etc.)
- Other opinion leaders (e.g., religious, business)