

**GUIDELINES FOR MANAGING  
A REDUCTION IN FORCE**

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**MORRIS • ASSOCIATES INC.** works with your management team to plan all the human resource aspects of a termination or reduction-in-force with care and sensitivity for all concerned. Working with you, our team considers the three populations involved: those who leave, those who stay, and the managers who make the decisions and give the notices.

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***Developing people for future change.***

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## MIND FRAME

**When a reduction or reorganization occurs**, a ripple effect can travel through the entire organization. People who leave have needs to be met but so do those who remain, and they are the ones the organization must now rely on to maintain service and productivity.

**Appropriate communication** with all concerned is essential. What's needed is a combination of head-to-head plus heart-to-heart communication.

**If you have to terminate someone**, your immediate goal should be to cause the least amount of resentment in the employee being terminated and the greatest amount of understanding by those who remain.

**A managed downsizing** — one that is planned and communicated well — helps those who go and those who stay to transition with dignity and with minimum disruption to their careers and personal well-being. It also helps the organization to move on and reestablish productivity as quickly as possible.

## PRE-NOTICE PLANNING

To manage this process, you need to anticipate and plan actions to take before, during and immediately after notification.

To Do:

- Make a complete checklist of actions to be taken.
- Develop a detailed schedule for notification day: who will give notices to whom, where, and what happens then. Also, how, when, and by whom notification will be given to others in and outside the firm or organization who have a need to know.
- Provide notification meeting briefing for managers and supervisors who have to give notices to employees.

## **NOTIFICATION MEETING GUIDELINES**

### ***PRE-EVENT:***

**PREPARE YOURSELF:** Review the outline of your discussion with the employee and get set mentally. Visualize how you want the meeting to occur.

### ***FOUR STAGES OF THE PROCESS:***

#### **I. STATE THE FACT OF TERMINATION AND THE REASON FOR IT. GET TO THE POINT. BE DECISIVE, THEN COMPASSIONATE.**

SAMPLE SCRIPT:

"Hello \_\_\_\_\_, please have a seat. I have some unpleasant news. Due to the market realities of our industry and the needs of our organization, we've had to reorganize. Some positions are being eliminated. I'm sorry to say yours is one of those positions."

#### **II. LET THE OTHER PERSON REACT.**

Allow the person a moment to absorb the impact of what you have just said. Listen patiently to hear questions or reactions. If person does not react, go to next step.

#### **III. PRESENT THE SEPARATION LETTER WITH SEVERANCE, BENEFIT, AND OUTPLACEMENT INFORMATION.**

Mention effective date of termination, length of severance pay and organization-paid benefits (health and life insurance, accrued vacation, and outplacement assistance).

Suggest who will provide answers to questions regarding termination benefits.

Don't defend or blame yourself or the organization. Don't get into a confrontation, debate, or provide detailed explanations; stress the decision is final. Repeat the reason for the reorganization if need be. Stress the reason for position elimination is reorganization, not the individual's performance.

#### **IV. CLOSE THE MEETING.**

While it is important to convey, "this decision is final," it is also important to be considerate and supportive and to let the other person maintain dignity. If your firm provides career transition services to employees who are let go, introduce the service firm's representative at this time.

***Do:***

- ◆ Keep the meeting short and focused (10-15 minutes maximum).
- ◆ Emphasize the decision is final.
- ◆ Be empathetic, show you care.
- ◆ Allow the individual to ask questions, to react to the news you have just given them.
- ◆ Encourage individual to call the Morris Associates' outplacement counselor and take advantage of the job search assistance being made available.

***DON'T:***

- ◆ Don't say "Good Morning" — it isn't.
- ◆ Don't take longer than 10 or 15 minutes.
- ◆ Don't be defensive or argumentative.
- ◆ Don't defend or blame yourself or the organization.
- ◆ Don't discuss what is happening with any other employees.
- ◆ Don't discount the employee's emotions or make them "wrong."
- ◆ Don't try to lighten the tension with humor.
- ◆ Don't talk about old times or give advice.

## FREQUENTLY ASKED QUESTIONS AT NOTIFICATION

- Q: Why me? You're keeping others with less experience.
- A: We had to make the decision and all levels of management concurred with this move. The factors considered were strategic need and future workload.
- Q: This seems like a clear-cut case of age discrimination to me!
- A: As you know, management has a history of a strong EEO stance and is committed to its Affirmative Action program. The factors considered were strategic need and future workload.
- Q: I want to talk with (senior executive).
- A: Of course you're free to ask for an appointment to see him/her, but I must tell you that he's/she's fully aware of the decision and supports it.
- Q: With a company this big, I can't understand why I can't be considered for another position in the firm!
- A: Before this decision was made, every effort was undertaken to explore all other options here.
- Q: What am I going to tell my wife/husband/significant other?
- A: Your Morris Associates' consultant will be able to give you specific help with this matter.
- Q: How can you do this to me after X years?
- A: This decision was made because of the realities of the market place and the needs of the organization.
- Q: You're not going to get away with this / I'm going to get even with you.
- A: I'm sorry you feel that way, but I want to emphasize that we are committed to helping you establish yourself in a new position as quickly as possible. I strongly urge you, regardless of your feelings now, to meet with the Morris Associates' consultant and begin the work of making a transition to a new position.
- Q: Was Jane/John Smith let go?
- A: I'm not going to answer any questions about other employees. I know you would want such consideration extended to you.
- Q: Will the organization give me a recommendation?
- A: (This answer will have been prepared in pre-termination planning.)

## **GUIDELINES FOR MEETINGS WITH REMAINING EMPLOYEES AFTER NOTICES ARE GIVEN**

### ***PREPARE YOURSELF:***

Think through the needs of your group. Review tough questions and prepare logical responses. Visualize how you want the meeting to go.

Conduct the meeting with concern and dignity but without apology for the necessary action.

Have no other agenda for the meeting but to handle the reassurance well.

### ***GIVE INFORMATION:***

The same as you told those who received notices — factually and without embellishment.

Review reorganization of functions and new lines of communication within your unit.

### ***ANSWER QUESTIONS AND REASSURE EMPLOYEES:***

Outline the changes in the unit that affect everyone. Defer detailed items affecting only individuals for discussion later.

Ask for questions/reactions. Be open and listen. Encourage two-way communication, don't just present information.

Do not promise that nothing will happen to any of them — none of us can predict the future. Stress that careful planning and review went into the process.

Discuss how to handle incoming calls for individuals no longer employed.

Encourage people to provide leads and referrals for those let go whenever possible. Encourage everyone to move ahead.

### ***WALK AROUND:***

For the week or so after notices, be visible and available. Practice "management by walking around."

## SAMPLE PREPARATION CHECKLIST

**DATE COMPLETED:** \_\_\_\_\_

- \_\_\_\_\_ Reference policy.
- \_\_\_\_\_ Written reason for reorganization / reduction.
- \_\_\_\_\_ List of key external contacts to be notified.
- \_\_\_\_\_ Severance letters prepared.
- \_\_\_\_\_ Unused vacation calculated.
- \_\_\_\_\_ COBRA forms, explanations.
- \_\_\_\_\_ Loans.
- \_\_\_\_\_ 401K forms.
- \_\_\_\_\_ Pension forms and information.
- \_\_\_\_\_ Phone and name for security.
- \_\_\_\_\_ Phone and name for medical.
- \_\_\_\_\_ Phone and name for benefits.
- \_\_\_\_\_ Printed cards for receptionist(s).
- \_\_\_\_\_ Press release prepared.
- \_\_\_\_\_ Press spokesperson identified.
- \_\_\_\_\_ Petty cash for cab fares.
- \_\_\_\_\_ Decommission access cards.
- \_\_\_\_\_ Secure computer files.
- \_\_\_\_\_ Arrange evening/weekend access to clear work areas & personal items.
- \_\_\_\_\_ Provide boxes/cartons to aid in removal of personal items.
- \_\_\_\_\_ Alternate plan to collect keys, iPad, iPod, iPhone, Blackberry, Laptop, vehicle and cards.
- \_\_\_\_\_ Alternate notification plan for absentees.

**SECURITY:** (     ) \_\_\_\_\_ **NAME:** \_\_\_\_\_

**MEDICAL:** (     ) \_\_\_\_\_ **NAME:** \_\_\_\_\_

**BENEFITS:** (     ) \_\_\_\_\_ **NAME:** \_\_\_\_\_

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