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Rebuilding Trust After a Layoff



By Andrea Obston

How does a company rebuild trust after a layoff? Is it best to push past the layoffs and hope no one notices? Not in today's environment. Not if you

expect to be in business tomorrow.

We know that companies that weather layoffs most successfully are those that communicate the decision honestly to all the stakeholders it touches. But most companies are so focused on the internal aspects of this difficult decision that they choose to ignore its external impact. This puts their company's reputation in jeopardy.

As a manager or business owner, you may be faced with the tough decision of whether or not to deal with your layoff publicly. It will help if you remember this: The purpose of most layoffs is to preserve the business in tough economic times so it lives to fight another day in the future. In other words, the business (and you) will be experiencing the short-term pain of a layoff in exchange for the long-term health of the company. It's not pleasant to face, but it is often a solid business judgment made with an eye towards the future. And in order to preserve the company and its reputation, you need to include managing the public

face of that layoff as part of your downsizing plan.

Ignoring this point puts the future of your business at risk. Businesses that close their eyes to the communication aspect of layoffs can expect to find themselves on the defense. No one looks good in defensive mode, especially when they are dealing with angry customers, curious reporters and surprised local government officials. The last guy who looked good playing defense was Troy Polamalu of the Pittsburgh Steelers.

As crisis managers, we are called in to companies in the planning stages of a layoff to help them with their communications before, during and afterwards. We help them put a public face on this very private decision. Over the years, we've learned two key truths in this work:

- ❖ Companies either choose to take charge of their own reputations during difficult times or end up allowing others to do it for them; and
- ❖ People judge companies by the way they behave when the going gets tough.

Companies either take control of these situations or the situations end up controlling them. Taking control means engaging in straightforward communication and focusing on the positive. For example (assuming this is true), you tell your customers, prospects, employees,

vendors and the rest of the world that the layoffs were a thoughtful business decision on the part of strong company with a good future. In plain language (and before people have a chance to make up their own stories), you need to deliver these kinds of messages:

- ❖ We have had a staff reduction of X number of people;
- ❖ We value all employees who work for this company and did not make this decision lightly;
- ❖ This was a difficult choice that we made to ensure the long-term health of this company;
- ❖ The layoffs were necessary because of the impact of prevailing economic conditions. These have hit our customers, and therefore, our bottom line. (By the way, it is not necessary to be as dramatic as one organization that ascribed the need for layoffs to "the global financial crisis").
- ❖ This company is strong and has a long history of weathering economic changes. It will continue to provide the superior customer service and products that have characterized it for the last [insert number of] years.

It is also helpful to prepare for any outside interest in the layoff as a symbol of a trend in your industry or region. While these stories have been done over and over, there is a good

chance that a reporter or blogger may seize on this if they are looking for an angle to make the story of your layoff more “interesting.”

Here are some basic steps that will help you prepare for the public face of your layoff decision:

Make a list of all groups impacted, in addition to the employees laid off

Look at both internal and external audiences. Internally, these may include some or all of these groups: Remaining employees, managers, members of the board, stockholders and investors and retirees. Externally, think about customers, vendors, affiliated organizations, referral sources, industry trade groups, government officials (locally and statewide), customers, lenders and members of the community.

Understand the concerns of each group and be prepared to address them

Often, these concerns will vary. Employees will be most worried about losing their jobs in the event of more layoffs, and how the layoff will impact them if they remain. Investors need to know the bottom line impact of this move, especially if it sets the stage for long-term profitability. Local government officials, on the other hand, will want to know what you’re doing to help laid off workers find other jobs. Customers need to be assured that service will not be impacted.

Communicate with each of these audiences in the most direct way possible

That may be through written letters, phone calls, pro-active press releases (if you want announce the layoff yourself), reactive press statements (if you prefer to have something on-hand in response to a reporter’s call), posts on your Web site, and/or updates on any social media your company uses for self-promotion. Remember, you’ll be depending on these outlets to carry the good news about your company as part of your recovery. That means treating them with respect during the tough times to gain their trust for the future.

Remember that timing is everything

When we pre-plan for layoffs with our clients, the most difficult part is the timing issue. It all boils down to this: The more personally affected someone is by the layoff, the earlier they need to be told directly. Not by reading it in the newspaper; not by stumbling upon it on someone else’s Facebook page and not by catching wind of it through the grapevine. They need to hear it from you.

Fight information leaks as aggressively as you can

In today’s “porous” business environment, once you tell one person, you can expect the story to be public. Employees Tweet. Members of the board have neighbors in the media. Vendors share information with your competitors and retirees stay in touch with each other. The best way to “manage” this process (and you’ll note that I purposely put that word in quotes) is to have a written internal policy about how information is to be shared outside company walls. That policy should designate one person as the only liaison with the press. It should also include explicit instructions to all employees about how they handle any press calls or requests for interviews outside the company walls as sometimes happens after a layoff. That should include a strong statement that they not speak with any member of the traditional or “new” press (i.e. bloggers) and a phrase that allows them to tactfully send the caller to the official press contact. We prefer something like:

- ❖ “We have someone who’s handling calls from the media.”
- ❖ “Give me your contact information and I’ll make sure gets into contact with you.”

That sounds a lot less suspicious than, “They told me I’m not allowed to talk to you.”

Your policy statement should also cover what people write about the company when they participate in social media, such as LinkedIn, Facebook and

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Twitter. While the jury is still out on how much control you can exert over people’s off-work communications, you can and should explain why refraining from social networking about the company’s internal affairs benefits everyone associated with it, especially in stressful times. And remember that the more thoughtfully and openly you handle communications with them, the more respectful they’ll be of your requests.

Look for ways to deliver good news after a respectful time

It’s not enough to say your company is strong and expects to weather hard times, you’ve got to prove it. As part of your communications planning, look for ways to demonstrate that your company is back to business. Search out customer hero-tales. Congratulate employees who picked up the slack. Celebrate small victories internally and announce them publicly. Touch base with customers to make sure transitions to new customer contacts are going smoothly. Be willing to learn from any complaints you hear.

Your company has worked hard to establish relationships of trust with your customers, employees and local reporters. Those relationships are the assets upon which you can rebuild your company’s future. If they are cultivated and nurtured, they’ll get you through and past these difficult time and lay the foundation for your future success.

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