HR Training Class

[Name of the Writer]

[Name of the Institution]

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**Employee Layoff**

In the situation when a business or company goes downhill, then they have some ways to cut their costs. One of those ways is laying off some employees. It is not a common way that companies use because companies and businesses try all other ways before coming to take the decision of laying off their employees. It means that the company comes to take this action when they do not have other ways to use it (Datta, et.al, 2010). Most of the time, the decision of laid-off comes with no expectations while they are well planned for the company that goes to take the decision.

**Ways That Manager Can Cope With Negative Emotions That May Accompany an Employee Layoff**

Many ways are there through which manager can cope with negative emotions that may accompany an employee layoff while the most credible and top are;

**Communication**

Communicate or Communication is the finest way that manger can cope with any negative emotions in such cases. It is the best way because it ensures the provision of facts and actual reasons, assist the employees to stay productive and focused, ensures the employees that they have been treated with honor, and set a forwarding tone by bringing changes (Goins, & Gruca, 2008).

**Anticipating the Reaction of Remaining Employees**

The remaining employees would be experiencing different feelings including the management. So it is significant that the manager should acknowledge and respond to the feelings for the purpose to assist the team and organization to proceed forward.

**Managing Work Transition**

The third way that managers can use is to manage the transition of work and responsibilities. In this, the tasks and processes can be redesigned, can be asked for more inputs, monitor progress, plan for and manage setbacks while maintaining morale (Goins, & Gruca, 2008).

In short, the major and most credible way is to Communicate.

**Process of Conducting Dismissal Meeting**

No matter how efficiently a company or organization hires, recruit and maintain its employees, it could be very challenging when it comes to terminating employees. Terminating employees can results in several issues like performance issues, changes in the company, and misconduct, etc.

* The meetings of termination cannot be easy for both parties the employer and employee, but there are some steps that can make it the process easier if taken properly.
* First of all, the organization should ensure that it is a face to face meeting.
* Ensure the bodies involved in the meeting as well as who will conduct it. Also, act in a way that makes the employee feel fine and comfortable.
* Ensure the place of the meeting conducted. The meeting is needed to arrange in a place that is fine for the employees more than the employer or managers etc.
* Ensure the timing of the meeting. It is important that the meeting should be scheduled properly before it held. Beyond this, it is also important to note that the meeting should be arranged at the time where the employees are communicated earlier so that employees would have time for future planning (Perritt, 2016).
* Plan and decide what to do at the meeting. The meeting needs to be of 15 minutes at least where employees should be kept comfortable in every moment. As well as possible simple, clear, and concise statement should be given to the employee in the meeting.
	+ In this, the manager and management should be prepared and clear about what they are going to do. As well as they must have a proper checklist so that every important point should be communicated.
	+ An adequate reason should be given to everyone going to get terminated. Employees sometimes sue organizations for such actions so the story must be conveyed to them. In short, a full and reasonable explanation should be kept in front of the employee regarding the action of the organization.
	+ Seek for the interpretation of employees about the event and meeting. It is also important that you must have the reason or misconduct that led to the firing. So that employees can be given the chance to have their say as well as open their emotions (Perritt, 2016). While the management should not talk over a person or specific team because any legal conduct may occur on the organizations’ side.
	+ Make a very clear statement that the decision made is final. As well as concisely run through the benefits for the organization while focusing on employee wellbeing as well such as covering the benefits like insurance, pension, funds, and other offerings the company is making. It would be finer if the final paycheck of the employee is ready so that the employee may have good thoughts to proceed with the decision.
	+ Provide details and explanations of the reference policy of the job. Here, the organization should talk about the details and policies they have about the job of employees while providing the service letter to the employees with a certificate of satisfactory performance of the employees you are going to fire.
	+ Collect everything that is your property but is with the employee. It should be considered a negative act by the employee and it is important to take anything such as keys, company assets like car, home, and credit card, etc. from the employees in or after the meeting (Perritt, 2016). These can be taken after the meeting in case the employer wants to keep them comfortable to have the new things so that he/she would return the company’s assets.

**Compensation for the Fictitious Company to Provide To Separate Employee**

A Vice President or other non-officer employee if terminated then he/she has the legal right to get the Severance pay form the organization. He/she has the right for the Severance pay is he/she gets terminated for any of the below reasons.

* Force Reduction
* Elimination of the Position

An employee at a higher level who is getting paid for $120,000 or higher salary has the legal right and eligible for the Severance Pay if he/she has been terminated for the reasons listed below.

1. Poor confidence level
2. Release of Claims and the agreement

It is important to sign an agreement and release of claims if the employee is eligible for Severance Pay provided by Freddie Mac while in the opposing case, you are not eligible for it. This release and agreement of claims pardons Freddie Mac from any potential and known liability and claims associating with the employment duration or period with the company or organization or the termination of your job might include other different benefits by Freddie Mac. The main purpose of the agreement and claims release is aimed to satisfy every standard for the voluntary and knowing waiver under the law which involves a number of factors such as the ADE Act (Goins, & Gruca, 2008).

The Severance time period of a president or non-officer employee (Severance eligible) is detailed and listed below;

1. Service completed since the very last start date.
2. The Severance period for the Severance eligible employee whose basic salary package is below the amount of $120,000 is calculated based on the weeks.
3. While the salary of Severance eligible employees whose salary package is higher than this amount is calculated based on months or in months.

**Chart Depicting Timeline of the Disbursement of the Compensation**

|  |  |  |  |
| --- | --- | --- | --- |
| Minimum Years of Service | Maximum Years of Service | Weeks of Severance | Months of Severance |
| 0 | 1 | 13 | 3 |
| 1 | 2 | 13 | 4 |
| 2 | 3 | 13 | 5 |
| 3 | 4 | 15 | 7 |
| 4 | 5 | 18 | 8 |
| 5 | 6 | 20 | 9 |
| 6 | 7 | 23 | 10 |
| 7 | 8 | 25 | 11 |
| 8 | 9 | 28 | 12 |
| 9 | 10 | 30 | 12 |
| 10 | 11 | 33 | 12 |
| 11 | 12 | 35 | 12 |
| 12 | 13 | 38 | 12 |

The payment of Severance pay is made based on the standard payroll policy and procedures of the organization. Beyond this, the employee can also decide to get the amount in a lump sum as well as he or she must take the decision in consideration of the policies. As well as he/she also has to sign everything on time or before he/she gets terminated such as agreement and release of claims (Goins, & Gruca, 2008). In case the employee gets failed to elect on the execution of the agreement, then the employee would be given the payment in a lump sum and this payment would be subjected to applicable withholdings.

**Ways (Three) That This Layoff Can Affect the Company**

The organization prefers sometimes to boost their bottom line when they are in financial troubles. Layoff does not pay off all the time. So it is important that how the organization or company should analyze that the layoff is a fine action at the moment. As there are direct costs associated with the layoff such as funds, insurance, and benefits, etc. there are also several indirect costs associated and they make lay off less fine action. Beyond that, there are other costs of recruitment and retaining new employees by the employers when coming out of the financial trouble they are in. employers conduct layoffs to cut costs by having a short term price to pay. Here the companies can pay out some costs beyond the Severance and other benefits. But other short term costs are also there while it is also noted that it takes time to fire employees (Datta, et.al, 2010). Hence, managers are required to plan properly and spread the news in a good manner, manage everything properly, handle issues and problems, and other concerns that may come to see in the case of laying off employee(s) including the costing.

The impact of layoff on the company is not much clear but it is important especially in terms of costs. Despite this, morale impacts the productivity level very directly while the employees laid off by the company may not contribute to the company growth and success as the employees who have been compensated and benefited by the company instead. Furthermore, other costs to the company involve the costs and problems of loss of skills, knowledge, customers, contacts, which is not easy to get back once lost (Datta, et.al, 2010). This includes mainly short term costs to the company.

The costs to the company would be increased by the expenses occurred due to the loss of valued assets of different types. Based on my view the balance sheet of the company may loom fine in short term but it would not be impressive after losing the assets the company had while it would be impacted inversely by the costs and expenses occurred for hiring new employees when the company gets settled after the tough time the company has. Several organizations or companies that lay off employees get themselves back of pre-playoff employment levels within one and a half years. In short, companies see long terms benefit when they layoff very rarely while they have extra costs instead when the rehire by offering attractive packages to the new employees when needed. While the new employees would also in need of training and supervision (Datta, et.al, 2010). Despite this, the productivity level of new employees would also be lower as they are learning their jobs compared to those who were already experienced. Even there are huge costs for replacement and higher salaries.

At last, some (few) intangible costs are also there such as loss of knowledge, morale, teamwork, innovation, creativity, customers, loyal employees, and even market share. So does laying off pays off for companies? Hence, it can be stated the action and strategy of layoff are cannot be considered as an effective and fine strategic initiative for long term benefits.

**References**

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