Laying off Employees

Name of the Student

Name of the institution

**Decreasing the negative emotions**

Laying off an employee is not an easy job for a manager but there are certain circumstances in which it becomes necessary to layoff one or more employees. This layoff is usually accompanied by some negative emotions both with the employee and manager. Following are the tactics with which a manager can cope with the negative emotions related to layoffs.

**Thorough understanding of the case**

The manager must have a thorough understanding of the case of employee layoff. This can be gathered from the immediate boss of the employee who has been laid off. The proper information will help the manager to understand the true mindset of that employee. Another benefit of this information gathering is that the manager will be able to assess if the decision of laying off is justified or not. There will be more negative emotions if the decision is not justified by the company. This may happen when the employee is laid off just to reduce the expenses made in terms of salaries and other benefits (J.Sucher & Gupta, 2018).

**Clear Communication**

Once the manager has gone through the whole scenario and gathered all the relevant information, he should communicate very clearly to the employee about the decision and if necessary, the reasons of making this decision. This will not be an easy task especially if the employee has served the organization for a longer period of time. It will not be good to say that the organization does not have resources to keep you intact. Clear communication will mean that the decision made by the organization should be justified by the manager. This aspect will be much easier if the layoff is done as a result of some fault of the employee. This will mean that the manager will not have to think much about the way he will deliver the message. Another easier scenario is when a large number of employees have been laid off at a time. The communication will also help the employee by recognizing that the manager knows the whole scenario and he is communicating clearly with him (David, 2016).

**Positive Communication**

Now that the message has been communicated clearly to the employee about layoff, the manager should close the case with the help of some positive dialogues and gestures. This will help to minimize the negative impact of laying off. Especially important is making the employee feel that he was important to the organization but the circumstances were such that it became necessary to lay him off. If the employee has been found culprit, the communication may include that a lesson has been learnt and the employee will not undertake any similar activity in the future.

**Step by step process to conduct Dismissal meeting**

Following are the steps that should be considered while conducting a dismissal meeting

First of all, the employee should be treated with respect and kindness. The manager should keep himself prepared for any kind of reaction from the employee. There should be no argument between the employee and manager, rather there should be a sense of compassion between the two parties.

The meeting should be conducted in a separate room so that self-respect of the employee is not affected. The meeting should be brief but should also give all the answers to the queries of the employee.

There must also be a representative of the human resource department in the meeting so that there is no ambiguity in the whole process. The presence of this person will also mean that all the formalities related to the process have been completed.

The benefits that can be generated out of this incident should be discussed in the meeting. The real reason of laying off should be thoroughly discussed. The manager must be very straight forward about the reason of laying off so that the employee does not draw his own conclusions about the incident. The major reasons for the decision should be clearly communicated to the employee. There should be no irrelevant discussion in this meeting. Both the parties should talk to the point in the termination meeting. The separation and release agreement should be reviewed during this meeting. The employee can be compensated by giving him a reference to another organization for job seeking. The employee should be handed the termination letter as per the policy of the company or he should be asked to fulfill the requirements for the same.

The employees should be allowed to take away any personal belongings right after the layoff meeting. During this process, one other employee should remain with the laid off employee. This is seen as a respectful gesture by the employee and prevents any possibility that his personal belongings are lost.

The employee should return all the things that show him as a part of the organization. These may include cards, mobile phones, badges etc.

The employee should be given his last pay check as quickly as possible so that there is no chance of legal action taken by the employee in this regard. The company must fulfill the state laws in this regard. This must also include the payment for any vacations that have not been availed by the employee and any other payment necessary by the state laws.

The employee should immediately leave the office premises after the meeting comes to an end and he has taken hold of his personal belongings.

The whole proceeding of this meeting should be documented and this document should be kept in the personal file of the employee. This must also include any comments made by the employee and any other notable argument (Brown, 2013).

**Compensation provided to the separated employee**

An employee is frightened by the thought that he will not receive the paycheck even for a short period of time. In order to bring him out of this fearful situation, the organization can provide him with certain forms of compensations.

The first thing that will be given to the laid off employee is the last paycheck that he has already earned. This should be handed over to the employee as soon as possible after the laying off meeting has been adjourned. According to the state laws, the employees should also be given any remaining leaves or any other encashment available. If there are any expenses that have to be reimbursed, these should also be reimbursed.

The laid off employees may be entitled to severance payment by the state law or the company policy may provide this payment. There are many states that require that the employers pay a small amount of money to the laid off employee or continue to provide him the health related benefits for a certain period of time after the laying off. There is a federal WARN act that asks the employers to provide a prior notice to the employees who will be laid off. The exact situation will be when there are a large number of employees laid off at the same time. Some states require that some additional payments are to be made to the laid off employees in the name of severance. The employers who are relocating their businesses at least 100 miles away, are required to pay one week severance to the laid off employees.

The employers may have promised to pay some compensation to the employees in the name of severance. This payment may make up one week’s pay of the employee for each year of service of employee with the organization. If the employer has provided any terms and conditions regarding severance payment in the contract, he may be held legally responsible to pay these. There may be a tradition in a company to pay the severance amount to the laid off employees which will mean that the recently laid off employee will also be paid the similar severance amount.

In case of a layoff, there is no fault of the employees in general and they will be entitled to unemployment benefits until they do not get a new job. Unemployment insurance is a joint program of the federal and state governments and employees are eligible to get paid if:  
A minimum serving time has been completed by them or they have earned a minimum amount of money or both these conditions have been jointly fulfilled. There is no fault of the employees in the laying off process which means that the employees forcefully laid off to cover the financial expenses will come under this category. These employees should be able and available to work. They should also be looking actively for the sake of work which is seen as an effort to get a job and accept one if offered. Some states allow benefits to those who are earning less than or equal to the amount they will receive as weekly unemployment benefits. These benefits are not available to those who have been unemployed for a longer period of time. These benefits are kept at an amount that will not stop the people from seeking another job actively. The application for these unemployment benefits should be put forward immediately so that the same can be processed soon (employmentlawfirms, 2019).

Worker’s compensation is a form of insurance that has to be carried on by the employers. Workers who get injured or ill during the normal course of work will get paid out of this fund. The payments will include the medical expenses, some partial income and rehabilitation processes. If a person is laid off during the leaves related to the worker’s compensation, he will continue to receive the benefits until he is released to work out of the injury or illness. The employer can lay an employee off while he is on worker’s compensation leaves but he cannot lay him off due to these particular leaves. Laying off an employee due to an injury may result in some serious legal ramifications for the employer.

All the layoffs are not legal in nature and employees have the right to go for a lawsuit if they are laid off on some racial basis or any other discrimination. Terminating older workers in huge numbers may be seen as age discrimination. Even if the layoff is legal, there may be some points on which an employee can sue the employer.

**Effects of laying off on organization**

The layoff may affect the company in financial terms where it has to pay the compensations to its employees. The larger firms may not see it as a considerable payment but smaller businesses will suffer from these. If the employees decide to go to the court, there will be additional expenses in terms of these suits. Some of these financial effects will be short term and some will be long term. In case of some businesses, these payments will put extra pressure on the maintenance of the financial records. Although the laying off is undertaken to save some money for the organization but in fact there are certain sums of money that have to be spent additionally. The company may have to increase the pays of its existing employees who will now have more responsibilities than the past. If the pay raise is not given to these employees, they will try and find ways to leave the place before the company lays them off as well (Brockner, 1992).

The second effect that can be seen happening with the organization is the lowering of the morale of the remaining workforce. This will mean that there will be a constant thought on the minds of these employees that they can be laid off any time. This may also increase the ratio of people switching their jobs from this organization. There will be additional costs borne by the company to hire and select new employees. There will be a certain level of training that has to be offered by the company to these new employees. All these aspects will affect the overall performance of the company. This will be especially true if the company is involved in producing some output because in these companies, there will be a greater need for trained employees.

The third effect of laying off employees will be the lower value of the company in the eyes of probable or future employees. This will affect the ability of the company to hire quality staff members. This will also make it difficult for the company to retain the quality employees. These employees will get the training and will try and switch the jobs to some other firm after some specified period of time. The employees who are working with the firm will feel demotivated because they will have to seek more responsibilities when there are lesser number of employees working than previously. This demotivation will affect the overall goal or objective seeking capabilities of the company.

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