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Survival guide: Employers look to keep staff motivated after the layoffs

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As employee layoffs and buyouts empty cubicles throughout the Bay Area, employers are left with a new problem: keeping their “corporate survivors” motivated.

Survivors might still be getting paychecks, but their circumstances are inextricably tied to their departed co-workers. Typically, employers expect the same or perhaps even larger volumes of work to be processed by fewer employees. And, after watching many of their colleagues walk out the door, those left behind are often waiting for the other shoe to drop.

“It’s hard for people in corporate environments to feel motivated when they see colleagues lose their jobs,” said Karen Atree Piemme, director of the Red Ladder Theatre Co. Red Ladder, affiliated with the San Jose Repertory Theatre, conducts seminars for corporate managers and employees. It employs actors who use improvisational role-playing skills to teach lessons in communication and leadership, as well as team-building and problem-solving skills. In December, the theater group led a session for the Silicon Valley office of **KPMG LLP**, the U.S. affiliate of worldwide accounting firm KPMG International.

“There’s a lot of wondering if ‘I’m next’ among these workers,” Atree Piemme said. “We try to help the managers and employees still in the company to develop a more positive vision, making their company a better place to work and more attractive to clients.”

According to a recent survey conducted by Leadership IQ, a Washington, D.C., organization specializing in management research, corporate survivors are indeed a rather downcast and skeptical group. Among a group of 4,172 such people, 74 percent said their productivity had declined since layoffs had occurred, while 69 percent reported the quality of their company’s product or service had gone downhill.

In addition, 61 percent expressed less optimism about their company’s future, 77 percent reported seeing more errors being made on the job by colleagues, and 87 percent said they would be less likely to recommend their company to others as a place to work.

The situation for these survivors isn’t likely to improve. Bernard Baumohl, chief economist at The Economic Outlook Group in Washington, D.C., said last month he anticipates December’s employment losses will be worse than November’s shedding of 533,000 jobs in the United States and that 3 million to 4 million Americans will have lost their jobs during the two-year period between Jan. 1, 2008, and the end of this year.

Communication is key

Remaining upbeat but realistic is a valuable trait for layoff survivors and their companies, according to Danika Davis, CEO of the Northern California Human Resources Association, a 3,800-member nonprofit resource and educational organization based in San Francisco.

“The rule of thumb for employers is the better the communication, the better things go, both with people being let go and those remaining in their jobs,” Davis said. “Survivors are watching what’s happening very closely. I think most people understand that sometimes there’s a need for downsizing, but employers have to be as honest as they can as to the reasons for doing so and as respectful as possible to the employees they are letting go and the ones they are keeping.”

A lack of communication with remaining employees and planning for how duties will be handled in the aftermath of layoffs can cause immediate as well as long-lasting problems for a business, Davis said.

“People become fearful and start thinking they would be better off somewhere else,” she said. “That’s what can happen in the absence of effective communication from management on things like expectations, job duties and responsibilities, and work schedules.”

Cutting wisely

One positive development Davis has seen during this economic downturn is that many businesses are using layoffs as the last resort when trying to cut costs. Davis said more businesses are cognizant of survivor issues and have been looking for alternatives to layoffs.

“Organizations must be careful how they conduct layoffs and the aftermath,” Davis said. “When things get better, you want to be able to retain top talent and recruit new employees.”

James Holland, partner at Valerie Frederickson & Co., which specializes in human resources consulting, outplacement and executive search, said companies that must lay off employees should cut carefully to keep their reputations strong, advising “don’t shoot before you aim.” He said companies should use attrition when possible and have clear reasons for their decisions on whom to cut.

Intel Corp. was lucky to avoid large-scale layoffs during 2008, according to Mark Pettinger, external affairs manager for the company, but about 1,000 managers were not so lucky back in July 2006.

Since then, Pettinger said, the Santa Clara-based semiconductor giant, which employs 83,400 worldwide, has tried to use attrition as much as possible as a way to reduce its work force when necessary.

Intel gives laid-off workers the option of either taking a severance package or jumping into its “redeployment” pool, where they have 60 days to find another job within Intel before opting for severance. For remaining employees, Pettinger said Intel has no formal program for dealing with “survivor issues” but leaves it up to individual department managers to handle workload and scheduling issues.

Stan Anders, managing partner in the Mountain View office of KPMG, is nothing if not pragmatic when it comes to layoffs and those who survive them. He said the question of whether job reductions were looming at his firm came up during the Red Ladder-led seminar and annual officewide “town hall” meeting last month.

“Every big firm has had to deal with this issue, unfortunately, and it’s certainly something that happens periodically in Silicon Valley,” Anders said. “My advice for the people who survive the cut is pretty basic: Diversify your skills, keep your head down and work hard.”

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