How To: Tell Employees About Layoffs, Restructuring, or Cutbacks

Resource Type: Articles

Topic: HR Risk and Employment Practices

At some point in their life cycle, many nonprofits will have to lay off employees, restructure their operations, or make other budget cutbacks. Here are tips to help you communicate the news to employees in the most humane and helpful way possible.

Before Conveying Difficult News

Make a plan. Determine how and when you will communicate the news to employees, as well as other key constituents like funders, vendors and partner nonprofits. Settle on the timing and process you will use; if you must lay off employees, decide now how much notice you're able to provide, and when to conduct exit interviews, collect organizational property, and provide referrals to job-placement services as well as references.

Prepare emotionally. You might want to talk with other leaders who have had to lay off employees or announce other cutbacks. Make sure you are prepared to stay calm and remain empathetic in the face of employee reactions, which may range from anger to shock or tears. Consider talking with mental health professionals to address any stress and anxiety you feel.

During the Conversation

Have the discussion in a private place without distractions. News of layoffs should be delivered by the affected employee's supervisor.

Team up. Have a second member of your team in the room to take notes on what was said.

Get to the point. Let the employee know right away what's happening and how it affects their job. Briefly explain the reasons for the decision. Repeat the message if necessary.

Identify next steps. Describe the assistance your organization will offer. Review logistics like when the employee's computer access will end and how they will turn in their organizational property.

Listen. Give the employee the opportunity to express how they feel. It's OK to show empathy, but don't say anything that could be construed as flip-flopping on your decision. Don't say you know how the employee feels, or that this is as hard for you as it is for them. The most important role you can play is to listen and communicate essential information about what happens next.

After the Conversation

Debrief with the colleague who joined you to deliver the layoff news. The two of you should reflect on how the conversation went and what you might do differently in the future. Hopefully, you won't have to deliver news of layoffs often, but what you learn from this process can make you better and more compassionate managers and leaders.

Take time to process. Although the conversation wasn't as hard for you as it was for the employee, it was hard. Give yourself time and space to process that. Ending someone's employment is a very difficult decision. It merits a moment to breathe. Acknowledge the many emotions the conversation may have brought up for you, and the lessons those emotions may have to teach you for your future as a manager.

Resources

- Communicating About Layoffs – University of Southern California
- How to Tell Someone They're Being Laid Off – Harvard Business Review
- How to Terminate an Employee (and Be Decent About It) – Nonprofit Risk Management Center