

Welcome to the November 2001 issue of **Management Shorts**  
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## **IN THIS ISSUE**

1. INTRODUCTION: The Layoff Epidemic
2. MANAGEMENT SHORT: After the Layoff
3. FOR THOSE WHO WANT MORE: Resources on Handling Change
4. A FINAL WORD: It's Not Just About Layoffs

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### **1. INTRODUCTION: The Layoff Epidemic**

Layoffs have become so common this year that it is unusual to meet a senior manager who HASN'T had to manage a reduction in force (or isn't in the midst of planning one right now). The decision to do a layoff and the choice of who to lay off can be so wrenching that many managers have little energy left for thinking about what happens after the layoff. How do you help the shell-shocked survivors to recover and move forward in a productive way?

This month's newsletter is a reflection on recent experiences with clients and my own learnings on what seems to work.

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### **2. MANAGEMENT SHORT: After the Layoff**

#### **THE PROBLEM**

A layoff is always a shock to your workforce. Even if they knew business was bad and that something needed to be done, the reality is always a shock. Among the "survivors" there is almost always a sharp drop in morale and a corresponding drop in productivity. Just when you need everyone to pull together and focus on rebuilding or retrenching, people are losing focus, getting sick, and spending inordinate amounts of time talking at the water cooler or just staring into space. You may become the target of employee anger and distrust, and you start to worry that your top performers may be brushing up their resumes and looking for a more stable job.

## **So what can you do?**

### **HAVE PATIENCE**

One of the most valuable things you can do is to just understand and accept what people are going through. Have a little patience to let them work through what has happened. In most cases you've known about the layoff longer than your people and have a head start on your own adjustment. Don't expect others to be on your timetable.

### **TRANSITION MODEL**

A layoff is a big and sudden change and the standard principles of "change management" apply. My favorite change model is a very simple one developed by Bill Bridges. He makes a distinction between "change" and "transition". "Change" is the external event with a clear before and after. One day things are fine and then a layoff is announced. One day we are all going about our business and then two airplanes plow into the World Trade Center. The towers are there and then they aren't. You work in a company or department of 40 people and then there are only 25. These are external changes.

"Transition" is the internal psychological journey we each go through as we incorporate the external change into our frame of reference. In the case of a layoff the reactions may be similar to the classic emotions of grief: shock, denial, anger, bargaining, depression and (hopefully) acceptance.

One way to understand this journey is Bridges' 3-stage model: (1) Endings, (2) The Neutral Zone, and (3) New Beginnings. It may seem odd that a transition model starts with "Endings", but the past we know is always more real to us than the uncertain future. Even a good change involves some loss and we need to acknowledge what is lost and let it go. For some employees it is the daily interactions with co-workers who are now gone that they miss the most. For others it is their beliefs and expectations about the company's future and their own role in that. In the case of the World Trade Center attacks it is not only the physical changes to lower Manhattan, but also the expectations we all have about our personal safety and the role of the U.S. in the global arena. It is an important first step to recognize and name what we have lost.

The next stage is The Neutral Zone. I think of this as Moses and the Jews wandering in the desert for 40 years after leaving Egypt. They had to make the transition from a slave mentality to one of a free people before they could be ready to build a new home. What looks like aimless spinning (or wandering) is a time of reorienting ourselves to a new reality. "How have my job responsibilities changed? Can I live up to the different expectations of my boss? Do I believe that the cut backs and other changes will really improve the company's long term prospects? Can I be successful or happy in the new order? How do I do that?"

The old way is gone and I have to find a place for myself in the new order. All of this takes time. If someone tries to rush me and tells me to "snap out of it" I'm likely to feel angry or guilty (or both) and expend even more time and energy trying to cope with those feelings.

The third stage, New Beginnings, is the stage we are all eager to get to. It represents an inner realignment and commitment to the new reality. The paradox is that the more we try to leap into this stage, the longer it actually takes. People need to move through the first two stages fully in order to really arrive at the final stage. The transition happens for different people in different ways and on different timetables. It can't be rushed, but it can be helped along. You help it along by creating time and space for people to work through the first two stages.

I shared this model with a work group one week after a substantial layoff had been announced and implemented. The model was a relief to many of the employees as reflected in this comment: "This model articulates exactly what I've been feeling all week!" It validated their feelings, relieving their sense of isolation and personal failure AND giving them hope that the current feelings of malaise would eventually pass. Seeing the path in front of them represented by the 3 stages actually INCREASED their energy and motivation.

### **SHARE AS MUCH INFORMATION AS YOU CAN**

At one post-layoff meeting management did something that was both courageous and very effective -- they opened the books wide open and shared everything with the employees. They showed the monthly burn rate before and after the layoff as well as how much extra "runway" had been bought with the layoff. They opened up the process and reasoning of the decision to implement a layoff as well as the choice of who to layoff. Employees later said they had been very surprised and pleased with so much information. In their minds it gave great credibility to management's claims that they believed the company could survive and be successful.

Management also talked a lot about the future: They were very specific (and realistic) about what needed to happen to raise the next round of funding. They talked about future scenarios and what they would need to do in each eventuality.

All of this information helps people navigate through the Neutral Zone. The shock of the layoff has suddenly made the future seem very uncertain. If I am one of the surviving employees, the layoff has made me feel powerless. I need a information to help me figure out what role I play in the new reality and what I can personally do to help the company get back on track.

## **MAKE SPACE FOR PEOPLE TO TALK ABOUT THEIR FEELINGS**

Layoff survivors frequently talk about how isolated and disconnected they feel. Their sense of connection has been broken and they want very much to recreate a sense of camaraderie with their co-workers. It doesn't take anything fancy to help them do that. When I start a meeting with a group of layoff survivors I ask everyone to sit in a circle and we do a go-round with each person taking a few moments to talk about whatever is on their mind and what they'd like to get out of the meeting. Throughout the day I go back to this format. You can see the relief on people's faces when they hear that others are thinking and feeling the same things. This allows people to acknowledge and say good-bye to the things that are lost -- something they need to do before they can start to think about the future.

Some managers worry that this is just "wallowing" and will stir up anger or just make things worse. I've never seen that happen -- it is usually just the opposite - - once they acknowledge what is ending, the discussions quickly turn towards the future. The participants help each other find a sense of hope and something positive to move towards.

## **YOU DON'T HAVE TO HAVE ALL THE ANSWERS**

You need to solve the business problems that necessitated a layoff in the first place and you need to help the layoff survivors get through the shock and refocus on the work in front of them, but you don't have to figure out how to do either of these by yourself! Asking your people to help you with both these tasks will yield two benefits: (1) The collective wisdom of the group will often generate solutions that you never thought of; and (2) The act of problem solving will help people feel they have some control over their own future -- a key step in the process of making the transition to the new reality.

I worked with a start-up recently that had just laid off a third of the workforce. At an all-day meeting management had laid out two key milestones that the company had to achieve. The entire group brainstormed the key issues that would have to be addressed to meet these milestones and then generated potential solutions. One of the issues was the need to get back to the high level of teamwork they had had in the early days. After much discussion they came up with several very practical ideas including a daily "stand-up" meeting. They would start each day with a 9:00 meeting with everyone standing in a circle and taking turns sharing what they would be working on that day and what they would need from others to complete the task. We timed it and found it could be accomplished in 7 minutes flat. This simple tactic generated a substantial level of energy and excitement.

The point here is not that every group should have a daily stand-up meeting. The point is that neither I nor management would have come up with this idea on our own and yet it was just what this particular group needed.

## **BE PREPARED FOR SOME EMOTIONAL TURMOIL**

Recognize that people are actually in shock and may behave in uncharacteristic ways. Expect someone to act out or blow their top and don't be too surprised if it is YOU. You've been busy managing the layoff, trying to get the company back on track, solving problems left and right -- pushing aside your emotions while you focus on the work. Be forgiving of yourself and others when this happens (and don't forget to apologize personally to anyone who got in the path of your outburst). Emotional turmoil is all part of the process -- think of it as a positive step toward the New Beginnings Stage.

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### **3. FOR THOSE WHO WANT MORE: Resources on Handling Change**

Bill Bridges has written a number of excellent books on the Transition process. My two favorites are listed below.

Bridges, William, Transitions: Making Sense of Life's Changes, Addison-Wesley Publishing Company, Inc. © 1980

Bridges' first book focuses on individuals going through major life transitions.

You can order this book from Amazon through the link below:

<http://www.amazon.com/exec/obidos/ASIN/0201000822/acornconsulti-20>

Bridges, William, Managing Transitions: Making the Most of Change, Addison-Wesley Publishing Company, Inc. © 1991

Focused on change in the corporate setting, this book is shorter and written for managers.

You can order this book from Amazon through the link below:

<http://www.amazon.com/exec/obidos/ASIN/0201550733/acornconsulti-20>

I have a short PowerPoint summary of Bridges' Transition model that I use to introduce the concepts to clients. E-mail me if you'd like a free copy.

[\(ACorney@aol.com\)](mailto:ACorney@aol.com)

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### **4. A FINAL WORD: It's Not Just About Layoffs**

I've focused on layoffs in this newsletter, but the issues and tactics discussed here apply to any significant organizational change. What has changed recently in your company or work group? Who has lost and what have they lost as a result of the change? Who could use some support as they wander through the Neutral Zone?

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Please forward this newsletter to colleagues and friends who could use some support in coping with a layoff or other organizational change.

As always I welcome your feedback on this newsletter. I'm particularly interested in your own insights about coping with a layoff. Do the reflections in this newsletter match your experience? What was different for you?

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Warm regards,  
Andrea

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About Management Shorts

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**Management Shorts** is a free newsletter for senior managers on leadership, management and teamwork – the key leverage points for improving the speed and quality of decision-making and execution.

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