



Solutions for Payroll, Time Collection & Human Resources

Planning a layoff

No one wants to do it. But when you have to let employees go, remember these tips to ensure the best possible outcome.

- **Know your numbers.** As you plan for a layoff you need to know exactly what it will cost and what it will save. What will severance packages cost? How much is each employee's salary and benefits worth? What does it cost to leave a position unfilled—will you lose market share, sales revenue, miss product development deadlines? Finally, what will your hiring costs be to replace the workers you let go when the downturn eases?
- **Plan the right size layoff.** Cut too many workers and your company will find itself in the lurch—unable to be productive and meet objectives. Too few and you will not save enough money.
- **Communicate effectively and often.** Layoffs make your employees nervous and fearful. Don't forget to keep communicating with remaining employees. You don't want to lose them when the economy improves, so it's important to keep them informed and show them appreciation.
- **Make sure you're familiar with applicable laws.** COBRA rules have changed recently. The Worker Adjustment and Retraining Notification Act (WARN) and other state and federal statutes might also apply to your organization. Make sure you plan for compliance with all of these rules.
- **Help outgoing employees as much as possible.** Be familiar with how to apply for unemployment benefits. Provide a packet of information that informs employees of what happens to each of their benefits packages. If budget allows, provide outplacement services—perhaps help with résumés, or business networking. These actions speak volumes to your outgoing workers (who may come in contact with future job candidates) as well as your remaining workers.

Check out these articles on the Web for additional downsizing advice:

The Law is Not Enough www.hreonline.com/HRE/story.jsp?storyId=200048995

Downsizing? Don't make these common mistakes.

www.workplacemagazine.com/EzineStory/HR/2009/Apr/04142009Article2.htm

Determining Departures www.hreonline.com/HRE/story.jsp?storyId=193342198&query=downsizing

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