

The Emotional Toll of Downsizing

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Layoffs. The word generates waves of fear in millions of Americans. And not just at the thought of losing a job. We fear being spared, too.

In his book, *Work in the 21st Century*, organizational psychologist Frank Landry reports that workers who survive layoffs suffer from higher rates of alcohol related issues, problems with their physical health resulting in an increase in sick days, and a higher incidence of stress and depression. Worse, it can take as long as six years for these people to recover. A growing recognition of this “survivor trauma” has led many companies to offer counseling services to the survivors and to improve communication with management so that employees have a clear sense of where they stand and what is expected of them. Such steps are not only humane, but they increase productivity since fearful, depressed, and stressed employees generally don’t function well.

The managers who deliver the news also suffer. Psychologists Andrew Molinski of Brandeis University and Joshua Margolis of Harvard University conducted an intensive case study of a Fortune 500 company that laid off 150 employees.

The company was aware that poorly handled layoffs could result in vandalism, expensive unlawful termination lawsuits, and workplace violence. They therefore tried to preserve the dignity of the affected employees and offered a generous severance package and outplacement support. They also provided

education for the managers who had to deliver the news. The managers were provided with guidelines as to how they should handle the termination interviews and were even provided with a chance to rehearse via role playing sessions.

Many of the managers did not handle the interviews well. This should not be surprising since in many cases they were letting people go who had been colleagues, even friends, for several years. Molinski and Margolis found that the managers' emotions interfered with their ability to deliver the message in a clear, concise, and compassionate way. One manager was so distressed, she burst into tears before she could deliver the news. Another was so shaken by his responsibility that he simply read the script that was to serve as a guideline without once making eye contact with the employee. On several occasions, the managers were so intent on softening the message that the employees did not realize they had been laid off. They showed up for work the following day and had to experience the humiliation of being told they no longer had a job. Molinski and Margolis described five common ways in which emotions are likely to get in the way of managers' ability and how to handle these situations with dignity.¹

I think it is impossible not to think first of the men and women who have lost their jobs when we hear of another round of layoffs, but only the most callous of us remain unaffected by these difficult economic times.

¹For more information see: Molinski, A. & Margolis, J. (2006). The emotional tightrope of downsizing: Hidden challenges for leaders and their organizations. *Organizational Dynamics*, 35, 134-159.