

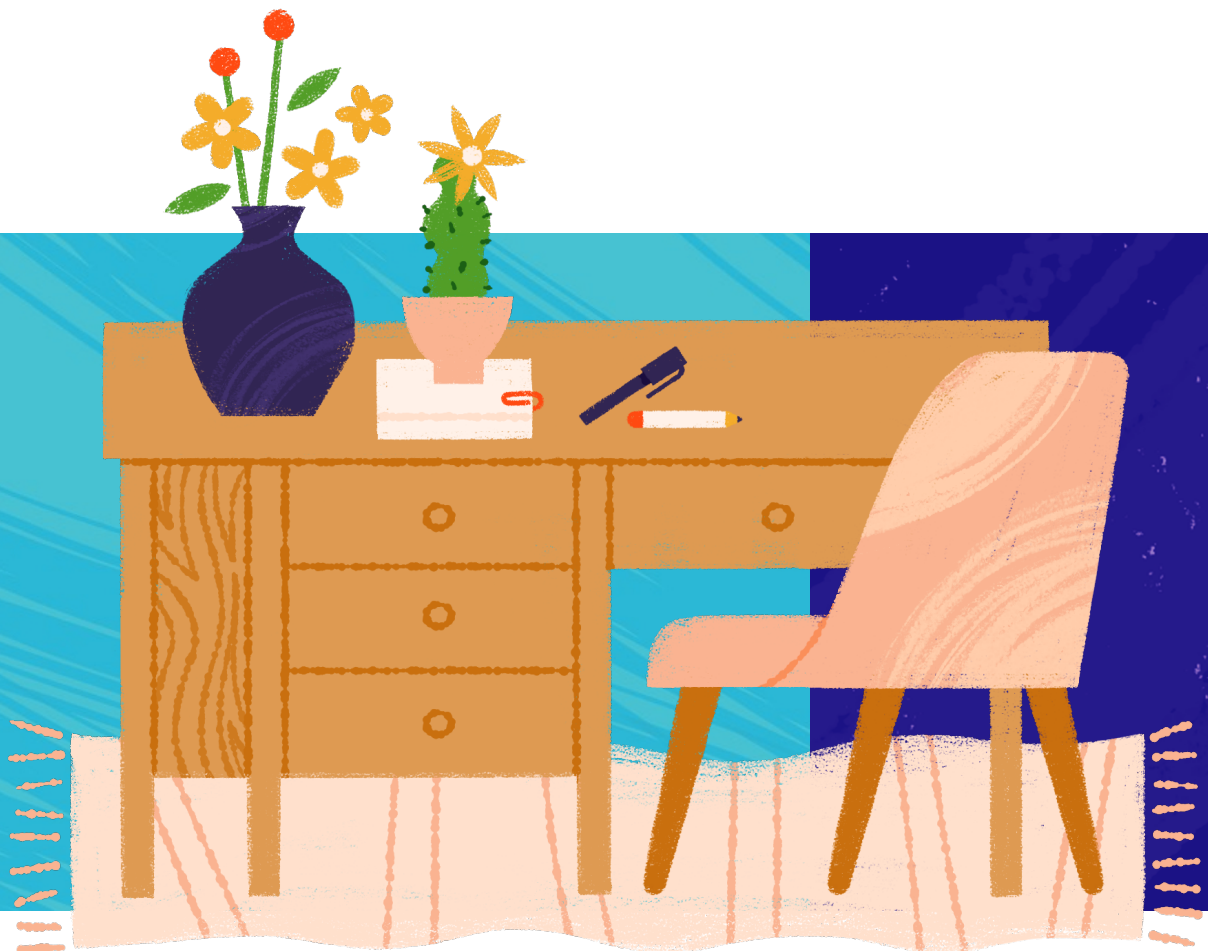


Building Organizational Resilience

The HR Leaders' Guide to Maintaining
Engagement After a RIF or Layoff

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Introduction

Just as things started getting “back to normal” post-COVID, the rug was pulled out from under HR leaders yet again. A looming recession, banking crisis, global conflicts, and other economic factors have created a volatile job market and made engaging and retaining top talent all the more difficult.

Many organizations have had to make the tough decision to initiate layoffs or a reduction in force (RIF), with 62% of CHROs reporting they’ve made a cut to their workforce in the past year, according to a survey by **SoftBank Vision Fund**.

These HR teams are put in the dreaded position of executing departures—while simultaneously trying to engage and retain the employees who remain.



Some industries have been hit harder by economic woes than others, with the tech sector taking some of the biggest blows. Some of the world’s most well-known tech companies—including Google, Amazon, and Microsoft—have laid off thousands of employees.

Whether or not your industry has been significantly impacted, a shaky economy creates a lot of unknowns, and with market uncertainty often comes slower growth and tighter belts. Unfortunately, layoffs are sometimes a necessary part of riding out the storm and sustaining the business.





Navigating the Fallout of a Layoff or RIF

Even a small number of layoffs can cause panic among remaining employees who become understandably worried about their own job security or the financial stability of the company. (Sometimes, even rumors of a potential layoff can send employees running to LinkedIn to polish up their profiles.)

Major upheavals in an organization can create a snowball effect of low engagement, lost productivity, and regrettable turnover. High performers who have lost teammates or had extra responsibilities piled on them also become a serious flight risk.

MIT Sloan recently did a multi-year study of Glassdoor data to assess how layoffs and reorganizations impact people and culture. They analyzed the average culture score for companies in Glassdoor's Culture 500. In this sample of companies, employees used negative terms when commenting about reorganizations 97% of the time. The more often employees mentioned layoffs, outsourcing, or the possibility of getting fired, the lower their company ranked on culture.

To stay ahead of major disruptions and limit the damage to engagement and retention of remaining employees, HR leaders must think differently about a layoff. While it's easier said than done, it is possible to look for the opportunities while still keeping a close eye on the threats.

You can treat layoffs with the empathy and care they deserve while assessing the opportunities to make structural or strategic changes that will make the business stronger and the workforce more resilient against future challenges.

To help you navigate the fallout, let's break the HR strategy down into four key goals:

- #1 Maintaining engagement**
- #2 Retaining talent**
- #3 Improving manager effectiveness**
- #4 Staying true to DEI commitments**



Goal #1: Maintain (or improve) engagement levels

A study by [Leadership IQ](#) found that 74% of employees who remained after a layoff said their productivity declined, and 69% said the quality of their company's product or service has gone down since the layoff. When asked why they felt this way, the employees shared feelings of survivor's guilt, anxiety, and anger about the layoffs.

During a major disruption like a layoff or RIF, employees can become distracted and unmotivated. Because of increasing workloads or changes in priorities, they are also at higher risk of burnout. An employee who was previously highly engaged—or at least moderately engaged—can quickly move into “actively disengaged” territory.

Disengagement can cause a host of other serious problems for an individual and their team. Productivity and performance suffer, and the employee is at a much higher risk of quitting. They may even sow seeds of resentment among their colleagues, putting them at risk too.

Maintaining pre-layoff employee engagement levels is critical to the health of the business and culture and to achieving goal #2...



Goal #2: Retain high performers

Retaining talent—particularly high performers—is critical during and after a layoff. [McKinsey & Company](#) found that in some professions, high performers are 400% more productive than average performers. (They also found that in highly complex occupations, high performers can be 800% more productive!)

The regrettable turnover that occurs when you lose some of your best people not only hurts the company's performance but also shines a spotlight on existing problems in the business.

In a recent [report from Payscale](#), the company shared findings that suggest how employees perceive their company's future is directly linked to retention. In other words, if the future is bleak in the eyes of employees, retention will be lower.

“In a troubled economy, employees are naturally more anxious about the health of the company they're working for and are more likely to look for a new job if they anticipate layoffs are coming or feel their pay is unfair, especially if they are taking on more responsibility in a reduced workforce,” Lexi Clarke, Payscale's Chief People Officer, said in an interview with [Yahoo Finance](#).

In times of uncertainty, turnover can accelerate, making it harder for teams to meet their goals and leaving HR scrambling to fill vacated positions. It can also be a major downer for team morale and do real damage to a once-thriving culture. And the absence of top performers can be felt in all areas of the business, from customers to teammates to the company's balance sheet.



Goal #3: Improve manager effectiveness

There's no better time to have good managers on your team than during a layoff, RIF, or other disruptive event. Employees look to their managers for reassurance and direction in challenging times, so effective leadership isn't just a nice-to-have; it's essential.

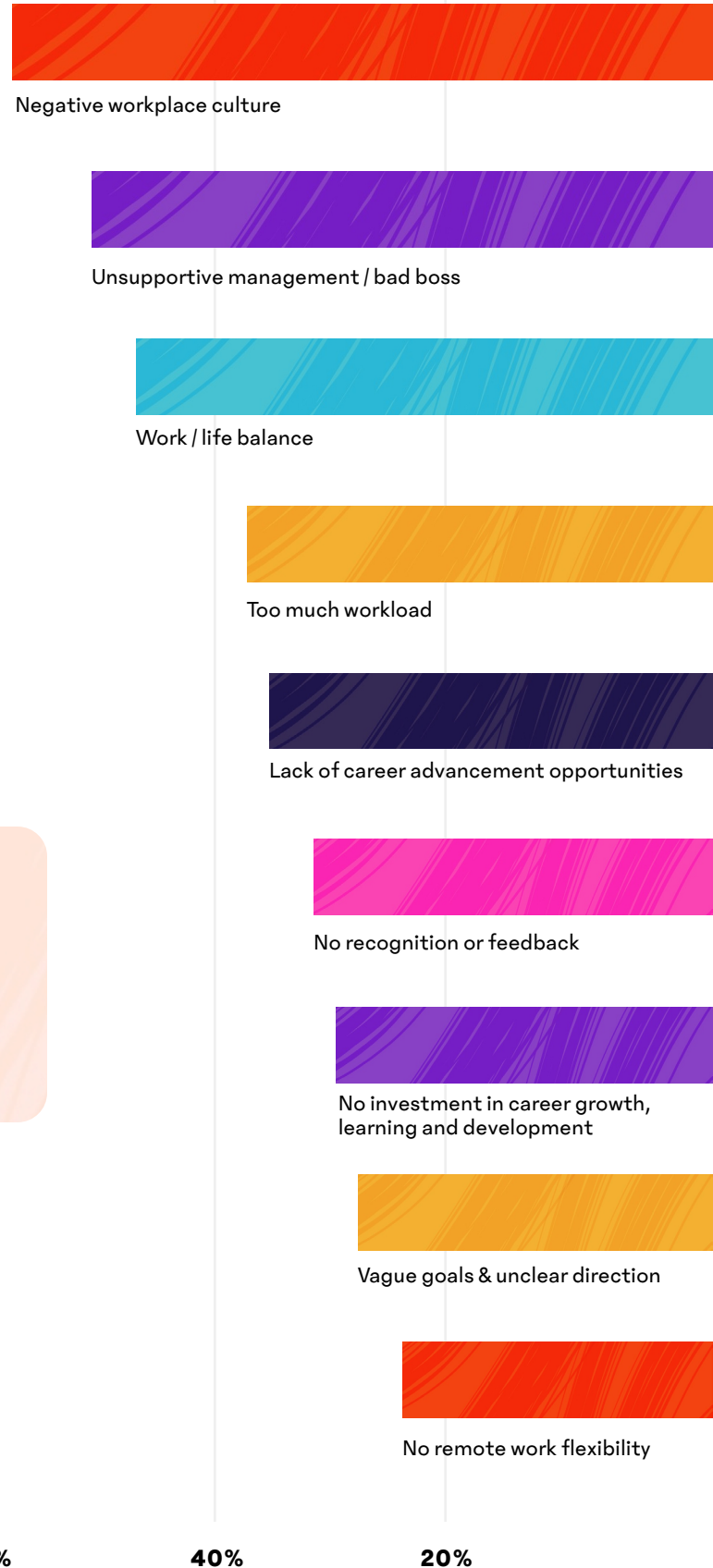
Managers directly impact the engagement of their direct reports and can help reduce regrettable turnover. (And inversely, ineffective managers can do more harm than good.)

In our [2023 Manager Effectiveness Report](#), we found that more than half of employees (56%) say that having a good boss is one of the most critical factors for remaining at their company—and having a bad one is the #2 reason people choose to leave.

EMPLOYEE RESPONSES

What are the Top Reasons for Employees Leaving the Company?

Layoffs can cause a lot of shuffling of the deck, leading to team restructuring or changes in leadership. Having effective managers across the organization is essential to meeting all the goals we mention here. Those managers must be set up for success with the training and coaching they need to effectively support their direct reports and lead through times of change.



Goal #4: Stay committed to DEI

According to a [Glassdoor survey](#), access to corporate diversity, equity, and inclusion programs expanded sharply across the U.S. in 2020 and 2021, only to stall in 2022. And while investment in DEI is down across the board, companies going through a layoff or RIF are even more likely to deprioritize these initiatives.

A study by [Revelio Labs](#) uncovered that many big tech companies that have recently had layoffs are seeing DEI roles diminish at a faster pace than non-DEI roles. In the companies they looked at, over 300 DEI professionals have left their organizations, and some have lost their entire diversity teams.

Your organization chose to prioritize DEI initiatives for a reason, and layoffs or other disruptions don't mean those priorities are any less important. In fact, a strong argument can be made that they're more important than ever during a layoff or RIF.

Layoffs can impact your organization's overall hiring and headcount. If your current DEI plan is focused heavily on diversity sourcing and recruiting, it's a good time to pivot into equity, inclusion, and belonging initiatives until hiring resumes.



Measuring Success: How to Know if Employees are Thriving (or Barely Surviving) After a Layoff or RIF



Striving to achieve the above goals can help you hold down the fort after an internal shakeup. But how do you know if your efforts to engage and retain your remaining talent are working? Are people thriving post-RIF, or are some just hanging on by a thread?

With big changes in a business can come major swings in engagement levels, productivity, performance, and mental health. When cuts are made, and strategies shift, business leaders and HR teams need access to the right employee data to make informed decisions to ensure the best possible outcomes for the team.

Tracking employee metrics can help you keep a finger on the pulse of the workforce during disruptive events. Think of it like a patient getting put on a new medication to treat an illness. Their doctor will need to monitor them carefully to ensure the treatment is helping and to identify any unwanted side effects. When trying to mitigate or repair the damage from a layoff or RIF, you must monitor the vitals of your workforce to ensure the people and culture remain healthy.

Performance management software with robust data reporting functionality makes measuring key employee metrics much more efficient. You'll spend less time gathering and aggregating data and more time making strategic evidence-based decisions to help people thrive.

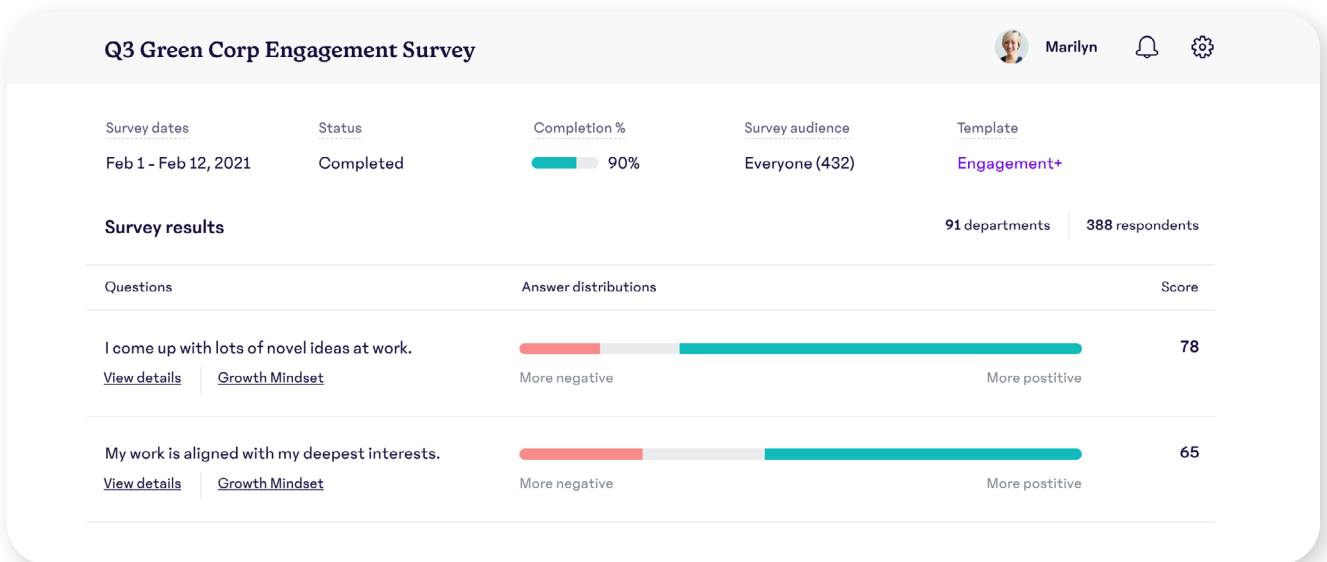
Ready to start measuring? Read on for four critical measurements to prioritize after a layoff or RIF.



Measurement #1: Employee engagement surveys

A well-crafted, science-based engagement survey can reveal a lot about how a layoff or RIF has impacted your team. And giving employees an outlet for confidentially sharing their feedback shows them their voice matters and the organization cares about their well-being at work, even when times are tough.

By measuring employee engagement 2-4 times per year, you can quantify the presence (or absence) of key engagement drivers. Understanding where certain drivers are lacking within specific teams or groups allows you to create a targeted action plan for addressing them.



For example, role clarity is a main driver of employee engagement. If a team scores low in role clarity, leaders can take action by helping those employees better understand their roles and responsibilities. If the action taken was successful, that team's score for role clarity would (ideally) go up when the next survey rolls around.

In addition to the company-wide engagement survey, deploying shorter, more frequent pulse surveys can also provide a mechanism for employees to share real-time feedback. Pulse surveys allow you to dig deeper into certain areas by asking employees specific open-ended questions. By using both engagement surveys and pulse surveys, you get both quantitative and qualitative data for more strategic decision-making.

Engagement Score
72
Moderately Engaged
62 +10
PREVIOUS CHANGE

Interested in clear, actionable engagement surveys?

[Learn about 15Five Engage](#) ▶

Measurement #2: Continual performance reviews

Semi-annual performance reviews that look at an employee's job performance, competencies, and achievements can help leaders assess an employee's contributions and track changes over time. It's also the best way to identify the high performers in your organization.

Employees' performance before and after a disruptive event like a layoff or RIF can be benchmarked to better understand how the workforce was impacted and where interventions need to be made to help employees succeed.

A recent **15Five survey** found that 35% of individual contributors reported they only get valuable feedback during an annual performance review. This is simply not enough, especially during times of upheaval in a business. We recommend running two performance review cycles per year, along with continuous real-time feedback between employees and managers.

A holistic performance review process coupled with continuous two-way feedback provides an opportunity to reestablish goals and expectations and reinforce accountability from both the employee and their manager. It's also a chance for employees to share any roadblocks they're facing and ask for the help they need to overcome challenges.



How effective is your performance review process?

Find out in the [Performance Review Playbook](#) ►

Measurement #3: Manager effectiveness metrics

When our team surveyed 1,000 managers and 1,000 employees to learn more about perceived **manager effectiveness**, we found some pretty big discrepancies between how managers think they're doing and how employees rate their abilities.

We found that while 64% of managers are "highly confident" in their own leadership ability, only 37% of employees are impressed with their boss's management skills.



ONLY

37%

of employees are impressed with their boss's management skills

To gauge how effective individual managers actually are, you can take a look at these performance metrics:

- Turnover rates by manager
- Engagement scores by manager
- Performance review completion rate by manager
- Goal attainment rate by manager
- **Manager Effectiveness Indicator (MEI)**

1 Configure the MEI

Use our default configuration or customize your's to fit company needs.

4 Take action steps

Use insights to create data-driven action plans to drive managers up to higher levels.



2 Pull in relevant data

Launch manager effectiveness assessments and set expectations around behaviors in 15Five to get accurate data into the indicator.

3 Assess data regularly

Check MEI data weekly to see how initiatives are moving the needle. Use reporting to identify top and bottom performers.

Combining quantitative performance data with qualitative data in the form of employee feedback is key to seeing the full picture of manager effectiveness. Upward feedback can be gathered during the performance review process and throughout the year during employee-manager one-on-ones.

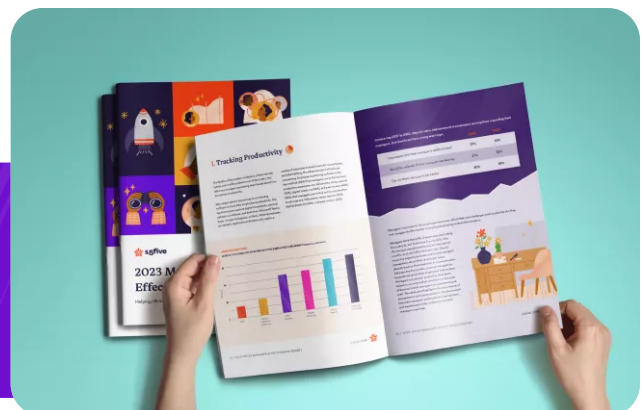
What about managers who are struggling? If metrics and feedback show a manager isn't up to par, take a look at the training and coaching they're getting. One-off training seminars or annual workshops aren't enough to upskill ineffective managers.

An effective management development program is multi-pronged and occurs in the flow of work, with opportunities to learn in various ways, like instructor-led skills intensives, one-on-one coaching, and group coaching.

Ongoing professional development is essential for all managers, whether they're currently performing at a high level or not.

Are your managers reaching their full potential?

Get the Manager Effectiveness Report ▶



Measurement #4: DEI impact assessment

Ideally, DEI and HR leaders are included at the beginning of the conversation about layoffs or a RIF, and can assess the potential impact on DEI *before* the disruptive event.

By being involved beforehand, you can advocate for a more balanced and fair process that considers multiple factors, including performance and employee potential and whether employees are contributing to initiatives outside of their daily responsibilities, such as leading an Employee Resource Group (ERG).

To assess the effect layoffs may have on diversity and equity metrics and provide executives with an analysis, DEI leaders should consider questions including (but not limited to):

- Will there be an outsized impact on women in leadership roles?
- Will the progress your organization has made on hiring Black employees be cut in half?
- Does the layoff list include leaders of your ERGs or other employees who are culture champions?
- Would someone looking at your DEI metrics pre- and post-RIF believe that employees were treated equitably?
- If employees ask about the impact to diversity, what will you tell them?

If a RIF or layoff has already happened and you want to measure the impact after the fact, a DEI survey can help shed light on how employees are feeling. You should also be tracking diversity metrics regularly to monitor trends, and auditing existing programs and benefits to ensure they remain fair and inclusive.

Want to conduct an effective DEI survey?

[Read the blog](#) ▶



Recasting Belief in the Company Vision: Strategies & Tactics

If you try the rose-colored glasses, “everything is awesome” approach to a layoff or RIF, don’t be surprised when your people become jaded.

It’s typical for employees’ commitment and belief in their employers’ mission and vision to wane after a layoff or other major upheaval. What matters is how you respond and what leadership does to show a recommitment to the future of the organization.

People need space to process the feelings that come with losing colleagues. They also need support to deal with changes to their own roles and team dynamics. They need to understand how their work will still contribute to the company’s mission in a meaningful way.

Whatever the future holds for the organization, the employees who remain need to clearly see how they fit into that future and how they can make an impact going forward.

To help you refocus efforts and guide your people through a disruptive event, we’ve outlined some strategies and tactics to help you retain and engage employees and build a stronger culture.



Create a strategic partnership between HR & the C-suite

If you don’t already have a strategic seat at the executive table, going through a layoff is the perfect time to make that case. Strategic HR leaders work closely with the leadership team and align their people and culture initiatives with long-term business outcomes.

Unfortunately, only 46% of HR teams are viewed as strategic by their peers, according to a recent **Sapient** report. The same report found that when HR functions are viewed as strategic, they consistently achieve higher outcomes.

During a major upheaval in a company, HR leaders have an opportunity to showcase how critical investing in employees is for the future of the business. To prevent a major drop in engagement or spike in regrettable turnover, HR leaders need both verbal and budgetary support from their peers to carry out their people and culture strategy.

Want to build a more strategic HR function?

Learn how in the [HR Outcomes Playbook](#) ▶



Reassess team and individual goals

A common pitfall many companies experience after layoffs is an unfair or unreasonable redistribution of work. They make the mistake of trying to achieve the same goals with fewer people. If there wasn't enough work to go around prior to a layoff or RIF, this might make sense, but if employees were already working at capacity, dumping even more on them is a recipe for disaster.

When major restructuring or layoffs occur, leaders and managers must reassess organizational, team, and individual goals based on the new variables.

For example, if a third of your sales team was let go, the team's previous quarterly goals are probably not realistic. Individual goals may need to change too, based on each person's new workload and responsibilities after losing some teammates.

Executives must also look at the company's long-term priorities. Have they changed? Do the existing organization-wide goals still apply or do they need to shift? If you use a goal-setting methodology like the OKR system, this is a good time to update them to reflect new, relevant objectives.

Objectives

Create a new Objective

Objectives summary

2 on track 1 at risk 3 behind

Search for keyword

Showing 4 of 4 objectives [Expand All](#) [Collapse All](#)

Objective	Days	Progress	Completion %	Action
Company-wide Optimize marketing spend to drive superior ROI <i>Aspirational Growth</i>	20 days	<div style="width: 63%;"></div>	63%	Follow
Company-wide Accelerate recurring revenue growth	11 days	<div style="width: 89%;"></div>	89%	Following
RevOrg Drive Sales and Marketing Alignment	40 days	<div style="width: 90%;"></div>	90%	Follow
Company-wide Optimize marketing spend to drive superior ROI	60 days	<div style="width: 50%;"></div>	50%	Follow

By doing a reset on goals, managers can also assess whether or not their employees have the skills and capacity to take on any new responsibilities, and HR can assess what training or coaching may be needed to help people do their best work.

Curious about the OKR methodology?

Get the OKR Playbook ▶



Double down on employee role clarity

Helping employees clearly understand what's expected of them is always important. But after a layoff or reorganization (or any event that disrupts roles and responsibilities), leaders should consider doing a complete reset on role clarification.

Remaining employees need to be clear on how changes to the business impact them and in what ways their goals will shift because of those changes. Even if managers don't expect a direct report's role to change much or at all, having regular conversations about expectations is still best practice. You don't want to leave an employee's role clarity up to chance.



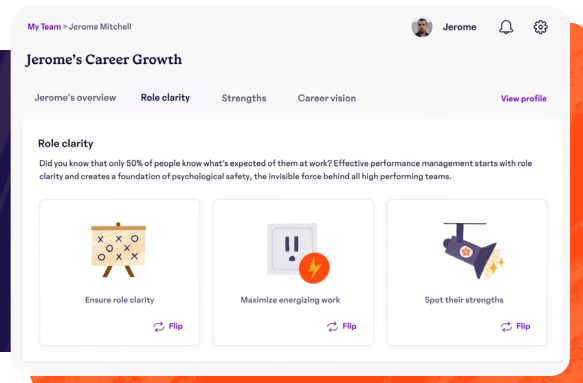
“Role clarity is an important driver of employee engagement, yet it’s often overlooked or undervalued. When employees have role clarity, they understand specifically what is expected of them in their job. They know what responsibilities and outcomes they’re supposed to accomplish, their specific goals, how their work impacts the business’s larger goals, and how their performance will be evaluated and measured. When this clarity is lacking, it can have a significant impact on your team’s engagement and productivity.” - Jennie Yang, Vice President of People, 15Five

Reevaluating an individual's role and making them part of the conversation can empower the employee to define and refine what their job looks like. It's an opportunity to assess how their current skills and interests align with what they've been doing, where there may be gaps, and which areas they may want to grow into.

Addressing role clarity can also help teams reduce some of the stressors that lead to disengagement and burnout. By getting ahead of foreseeable challenges—like an employee working over their capacity or focusing on the wrong tasks—managers can help their people through any rough patches following a layoff or RIF.

Want to set employees up for success?

[Learn more about role clarity](#) ▶



Conduct stay interviews

Most companies have a process for exit interviews conducted on one of an employee's last days. But these interviews are too little too late when it comes to retaining high performers. Why not talk to people before things get so bad they decide to quit?

Stay interviews are done with current employees (who have not already given notice) and are an opportunity to ask questions about how satisfied they feel in their jobs, what's going well with their work experience, and what challenges they're facing that could potentially cause them to want to jump ship.

Oftentimes, the reasons a person decides to leave their company are a collection of easily solvable problems that just never got addressed. With a stay interview, these grievances can be uncovered before an employee reaches the end of their rope—allowing leaders and managers to take action and stay ahead of regrettable, preventable turnover.

Have career conversations

Offering ample professional development opportunities and helping employees grow and thrive in their existing roles is essential to engagement and retention after a layoff. However, it's also necessary to support an individual's long-term career goals, even if that means they will eventually outgrow their position—or your company.

Unfortunately, too many organizations aren't investing in their employee's career aspirations. Our manager effectiveness study found that almost half (48%) of employees said they had yet to have even one conversation with their manager about their career vision.

When conducting a stay interview, **SHRM** recommends these five questions to ask:

- 1 What do you look forward to each day when you commute to work?
- 2 What are you learning here, and what do you want to learn?
- 3 Why do you stay here?
- 4 When was the last time you thought about leaving us, and what prompted it?
- 5 What can I do to make your job better for you?

High performers don't want their talents to waste away in the same job forever. They need to see opportunities to move up and take on new challenges. One **Pew Research** study found that 63% percent of employees who quit a job in 2021 cited "no opportunities for advancement" as a major factor in their decision to quit.

After a layoff or RIF, remaining employees need to see that the organization still has growth opportunities for them. And during times of change, leaders have an opportunity to identify new roles and responsibilities that align with the company's changing priorities, which can then become exciting new opportunities for high performers.



Leading Through Layoffs?

JOIN THE

HR *Super* Stars

Community by  15five

and Get Support

Leading an HR function can sometimes feel like being on an island (and not the fun all-inclusive kind). No people ops leader should have to go it alone, especially during challenging times. That's why 15Five started the HR Superstars community.

We bring together thousands of HR professionals to connect with peers and industry experts, attend exclusive events, and access valuable content to help you level up and grow as a leader.

**Want to be part of our movement?
We'd love to have you!**

[Join the community for free](#) ▶



Congrats! You're on your way to growth

When do you want to accomplish this by?

Start Date

3/1/2022

End Date

6/30/2022

How often would you like to be reminded of this growth area?

Start Date

Every other week

Set Another Goal

Done

Try 15Five free for 2 weeks!

Find out for yourself how 15Five can help you measure performance, drive engagement, and retain talent with a free 14-day trial.

Visit 15five.com/trial to get started.



About 15Five

15Five is the performance management platform that drives business results. By continuously measuring the indicators of engagement and performance that matter most, 15Five helps HR leaders uncover risks of turnover, poor performance, and ineffective management before they impact the organization. 15Five's approach provides HR with everything they need to achieve their strategic people objectives, and the data to tie those objectives to business outcomes. The platform combines 360° performance reviews, actionable engagement surveys, robust goal & OKR tracking, customizable manager training, and ongoing manager-employee feedback tools like weekly 1-on-1s and check-ins. Together, all of these enable HR leaders to deliver high engagement and performance within the flow of work, and empower their managers to drive change from the bottom up. 15Five is loved by strategic HR leaders, managers, and employees at over 3,500 companies, including Credit Karma, HubSpot, and Pendo.

For more information, visit www.15five.com.