



## **As Layoffs Climb To 14-Year High, Employers Need To Prepare For Negative Effects On ‘Survivors’**

### **Sirota Survey Intelligence Offers Five Strategies for Managing After Layoffs**

### ***Post 9/11 Workplace Provides Key Lessons for Employers***

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**Purchase, NY – November 10, 2008** – With layoffs and the unemployment rate at their highest levels in more than 14 years, employers need to prepare themselves for possible after-effects of job cutbacks on remaining employees. These negative impacts include greater employee insecurity, higher stress, less teamwork, heavier workloads, and workers generally feeling that they are “less valued,” according to research by **Sirota Survey Intelligence**, specialists in attitude research.

That is how employees felt after the impact of 9/11 on the economy, when the U.S. Bureau of Labor Statistics reported the highest number of mass layoffs since the bureau began collecting such data, according to Sirota’s research.

In September 2008, mass layoffs (involving 50 or more layoffs from each employer) reached their highest number since 9/11. There were 2,269 mass layoff events in September 2008 vs. 2,407 in September 2001. (This October’s mass layoff numbers have not been released yet.)

“Sirota Survey Intelligence learned a great deal about the reactions of employees who survive cutbacks by researching the period following 9/11 and its aftermath,” said **Douglas Klein, President of Sirota Survey Intelligence** ([www.sirota.com](http://www.sirota.com)).

“By examining the attitudes of nearly 500,000 employees in 2000 (before the layoffs) and in 2002 (post-layoffs), we can illustrate the impact layoffs can have on employees who remain, and offer five guidelines to employers on how to successfully manage survivors,” said Klein.

**According to the results of Sirota’s research, employee confidence and attitudes declined in several key areas following 9/11, including:**

- **Job security** – 69% of employees surveyed in 2000 felt secure about their jobs, but that decreased to 61% in 2002.
- **Employees feel valued** – 67% of employees surveyed in 2000 said they felt they were valued and were considered an important part of the organization. This declined dramatically to just 44% of employees who felt valued in 2002.
- **Cooperation and teamwork** – 81% of employees surveyed in 2000 favorably rated the cooperation and teamwork within their work units. This decreased to 71% in 2002. In addition, 69% of those surveyed in 2000 favorably rated the cooperation and teamwork among departments; this dropped to 40% in 2002.
- **Too much work** – Only 28% of employees surveyed in 2000 felt that too much work was expected of them. This figure increased to 34% in 2002.
- **Opportunity for advancement** – 48% of employees surveyed in 2000 were confident in their opportunities for advancing with their employers, which decreased to 39% in 2002.
- **Company is innovative** – 62% of employees surveyed in 2000 believed their company was innovative, which dropped to 52% in 2002.

“During difficult economic times, it’s important that employees feel they are valued. Plus, both management and non-management employees are likely to report feelings of guilt, stress, and depression during and after layoffs,” Klein said.

“It’s easy for management to say that employees are assets, rather than costs, in good times. But in difficult economic times, when cutbacks are unavoidable, best-in-class companies demonstrate they mean it,” Klein said.

**Management can take the following actions, in five broad areas, to help mitigate the after-effects of layoffs on employees who remain.**

1. **Communicate, Communicate, Communicate** – “Most employees want to know what will be happening to them, especially whether they will be laid off. Secrecy or lack of transparency will just add to their sense of powerlessness. Do not delay in confirming whether there will be job cuts.

Communicate why workforce reductions are necessary. Employees will understand if the workforce needs to be reduced as a last resort,” said Klein.

2. **Allow for an emotional response** – “Anger, concern, insecurity, and survivor guilt are all perfectly natural emotions for employees to feel,” said Klein. “It is crucial for managers to spend time assuring employees that it is OK to feel this way. Otherwise, employees may release these feelings in non-productive ways or situations.”
3. **Proactively address the negative effects of less staff for the same work** – Increased workloads for employees who survive layoffs are inevitable. Often this has the added effect of negatively impacting teamwork during a time when all have to work together to rethink how tasks are done. But managers can choose to involve their employees in the search for solutions, thus addressing both teamwork and efficiency simultaneously,” said Klein. “For example, gain-sharing and other employee involvement teams offer opportunities for employees to help improve work processes and teamwork while benefitting economically as well.”
4. **Demonstrate continuing long-term interest in the careers of the survivors** – “Following layoffs is a good time to introduce ‘stretch assignments’ – those that will expand the skills of survivors and demonstrate your confidence in them. It is also a good time to increase the frequency of discussions about career-related topics, including possible advancement opportunities.”
5. **Empirically determine how things are going – don’t just guess.** “Management-by-facts is the best way to gauge how employees are performing after layoffs. CEOs still must report to their external constituencies, including investors, boards of directors, media, and communities in which they do business. Periodic, systematic, employee attitude assessments enable management to ascertain the impact of their actions on the day-to-day operations of the company. Employee attitude surveys also demonstrate to workers that they are still an important asset. Even if budgets have been cut, an efficiently designed employee survey process can provide critical information for management,” Klein said.

## **About Sirota Survey Intelligence**

Founded in 1972, Sirota Survey Intelligence ([www.sirota.com](http://www.sirota.com)) specializes in attitude research. Headquartered in Purchase, NY, Sirota has conducted thousands of attitude surveys around the world that have helped organizations build strong, productive relationships with their employees, customers, communities, opinion leaders, investors, shareholders, suppliers, and other publics. The major results of their surveys have been summarized in ***The Enthusiastic Employee: How***

***Companies Profit by Giving Workers What They Want*** (Wharton School Publishing [www.enthusiasticemployee.com](http://www.enthusiasticemployee.com)).

Compiled since 1972 and continuously updated, Sirota's multi-national, multi-industry database comprises data from millions of employees collected through the firm's employee survey research (predominantly among the Fortune 500). It is possible that the results from the companies in Sirota's database are more favorable than a national probability sample.