

# Learning Through a Layoff

**One organization works to retain and engage its employees who survived a recent layoff.**



The following story was described by Duncan Mathison, a San Diego-based employee retention and engagement consultant.

## **CLIENT>>**

A pharmaceutical company funded by venture capitalism, direct development, and preclinical trials

## **PROBLEM>>**

Venture capital markets had dried up, forcing the company to lay off employees. As a result, the organization was concerned about the remaining scientists' retention and engagement.

## **CAUSE>>**

The layoff resulted in cutbacks of key research programs, and the company feared that recruiters would target their remaining researchers.

## **METHOD/TOOLS>>**

Mathison conducted interviews of a small group of the most respected scientists in the organization. This group described the scientists' core motivators, their possible questions and issues after the layoff, and the drivers that affected whether or not they would remain at the company.

The organization's executive leaders were surprised to learn that the job retention and engagement factors for the scientists were completely different from theirs. For example, the scientists were skeptical of how the organization was funded and the venture capitalists' motives, they trusted key technical leaders more than the executive team, and they were mostly motivated by the potential of their research.

## **END RESULT/SOLUTION>>**

Mathison placed direct-line managers into highly interactive training, including precommunication and training sessions, before the layoff. First, the executive team described the rationale behind the layoff

decision via a data-intensive, scientific format. They steered clear of market, profit, and ROI-related messages, which confused the scientists, and instead explained why the layoff decision was essential for continuing the scientists' research for disease treatment.

The managers provided suggestions on how to deliver the message and handle potential reactions. Finally, the managers and senior leaders discussed the remaining employees' expectations.

On the day of the layoff notifications, the managers met with their employees to discuss their questions and reactions. This feedback was communicated to the leadership team, who aggregated and then presented it, along with answers and rationales during an all-staff meeting. This process of cascading organizational communication enabled surviving employees to feel somewhat in control during the layoffs.

As a result, not one resignation was submitted within 12 months after the layoff, and the organization advanced to the next level of market competition.



## **LESSON LEARNED:**

*Engaging direct managers in formulating and delivering key messages during a layoff can overcome a negative employee reaction and affect not only retention, but overall productivity.*