

# Layoffs are the leadership litmus test

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By Denise Lee Yohn Published: February 14, 2023



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## Video transcript:

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It's inevitable. As a leader, you will most likely have to layoff employees at some point even if you work hard to plan for a right-sized workforce. What's not as certain is whether or not you will execute a reduction in force well.

We've all heard the horror stories of employees discovering they've been laid off when their security badges no longer open the office door or people having to fight for timely and equitable severance pay. And, while you probably aim to do a better job than the leaders whose poor actions are making the headlines, you may not realize how much is riding on how you handle the situation.

In my opinion, layoffs are the ultimate leadership litmus test. The way you approach letting employees go speaks volumes about the kind of leader you are. It reveals how you see yourself and what you think of your employees. I believe leaders who excel in these crucible moments do so by demonstrating humanity.

You acknowledge the humanity you share with others by truly caring for the employees who are being let go. That means going beyond the basic expectations such as transparent communication and a fair severance package. You want to think deeply about the full range of employees' needs — financial, physical, mental, emotional, interpersonal and cultural. And do the hard work to serve those needs.

Consider how you might preserve the dignity of those who are laid off by handling affairs with sensitivity and discretion; or how you might show sincere gratitude and respect for their contributions by communicating one-on-one and offering long-term support. You might even think about the impact of someone losing their job on their families and extend benefits or offer services to support employees' family members.

To pass the layoff litmus test, you should also consider the humanity of those employees who were not laid off. Understand that they might experience survivor guilt, anxiety about their own security and feeling overwhelmed by taking on the work of those who have left. You need to restore their trust and re-energize their connections with you, your company and its mission and to co-workers. This includes interacting with them more frequently and directly, and providing support for their well-being as well.

The humanity required in a layoff situation also extends to how you personally engage as a leader. Will you hide behind generic statements prepared by your PR or legal teams — or are you willing to show your emotions? Do you delegate the difficult conversations to your HR managers — or will you show up personally and be available for questions and feedback? Demonstrating compassion, empathy and integrity even when it's difficult and risky allows you to show your true colors.

I realize what I'm suggesting takes time, diverts your attention and in some cases will cost more money. It requires careful planning and diligent execution — all at a time when your business is under tremendous pressure. That's why many leaders opt for the easy route. But your identity as a leader is on the line during a layoff — and I, for one, think it's worth doing what it takes to be the best kind leader you can be: human.

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