

5 ways to help retention

(Right now)

FIG 1. EMPLOYEE AT WORK





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Change is constant, and as a potential recession looms, organizational change is top of mind for leaders and employees. In 2023, [1 in 3 employees](#) are especially concerned about layoffs. Recently we've seen many organizations make difficult decisions to cut their workforces in order to ensure longevity, but what about the employees left behind?

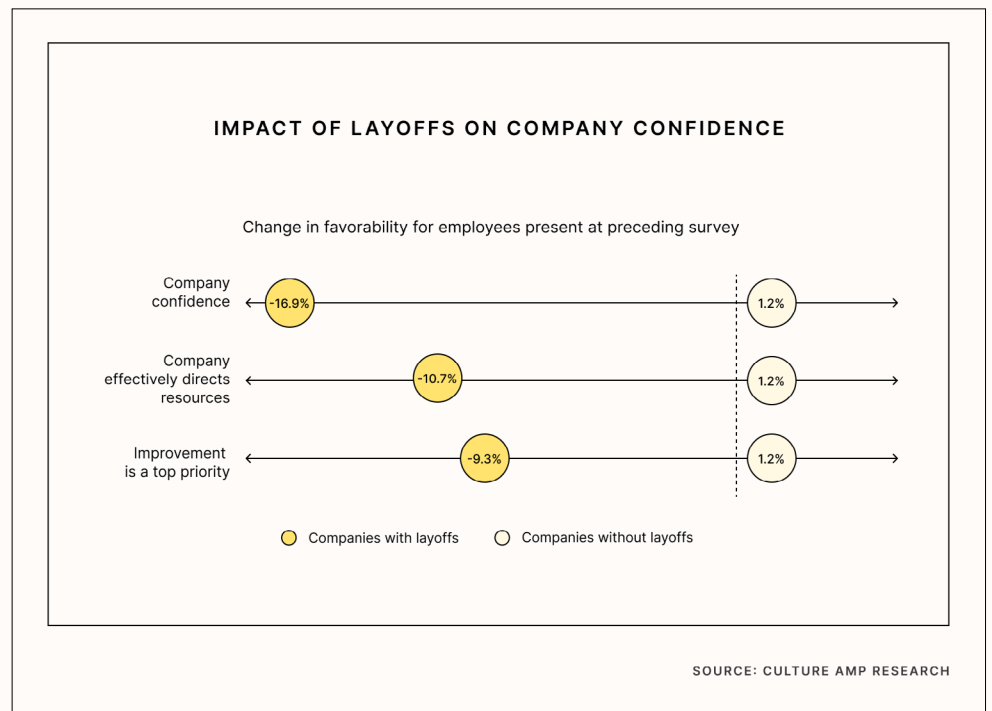
Employee engagement usually takes a massive hit after layoffs, but to keep your business moving forward, it's crucial to shift focus to reassuring – and retaining – “surviving” employees. Otherwise, your organization may find it challenging to motivate employees as you recover from a layoff, and negative perceptions surrounding your company may linger, limiting your ability to acquire new talent in the future.



An economic downturn is underway, and many companies are gearing up for massive change – both organizational and financial – by cutting headcount now. While layoffs are unavoidable, remaining employees will be stretched thin and working with a reduced number of resources. Employees will also be feeling vulnerable and insecure in their positions.

Layoffs are not an immediate fix. Those left behind will feel less confident in the work they're doing, less likely to recommend your company, and most importantly – less likely to see themselves at your company in the near future. Employee engagement will fall following a layoff, but transparency and support from leaders helps ensure resilience. Culture Amp research shows that following a layoff, the 3 aspects of engagement that see the biggest declines are:

1. **Confidence in the company:** Employee perceptions of your company's current and future success drop after a layoff. Surviving employees will question whether resources are being allocated effectively. They may feel their future at your company is at stake too.





2. **Perception of leadership:** Leaders are responsible for cascading layoff decisions down to the individual employee, so it's no surprise that employees blame them for the outcome. Leaders will also be criticized for making the business decisions that led to the layoffs, leading employees to distrust your company's decision-making skills.
3. **Feelings about development:** [Development is the #2 driver of employee engagement today](#), so following a layoff, it's unavoidable that your employees will question whether your company is the right place to continue nurturing their skills. When a company cuts costs, employees assume access to opportunities for development will be cut too.

With these 3 factors in mind, we've identified 5 ways that you can boost employee morale and rebuild engagement following layoffs to help retain your remaining talent. The following tips are actionable, research-based steps to guide leaders as your organization evolves.

FIG 1. REBUILDING ENGAGEMENT





Tip 1:

Be transparent

Transparency is at the core of a solid workplace culture. When you're transparent in the information you share, employees will be more inclined to feel at ease with the decisions you make. Following a layoff, ambiguity is unavoidable. Surviving employees may be lost, confused, and beginning to lose faith in your ability to make the right decisions. These can all compound and contribute to both a decline in productivity and issues with retention.

Be transparent around the layoffs, and clearly communicate how leadership has been impacted too – whether that's an increase in workload or a decrease in pay. Layoffs are often a proactive approach to preserving your bottom line, so let your employees know the purpose of these layoffs and your plans for future profitability.

Putting it into practice

Balancing transparency and discretion isn't easy. To foster vulnerability and trust, have candid two-way conversations with your employees. When leaders open up and allow themselves to be vulnerable, it paves the way for other employees to do the same. While you probably won't share every detail about your company's struggles or disclose exact financial figures, staying open and discussing your worries and anxieties around the situation helps employees feel safer expressing themselves. Don't be afraid to have difficult conversations with your employees; understanding and supporting their unique and human experiences might tip the balance between leaving and staying – especially during times of change.

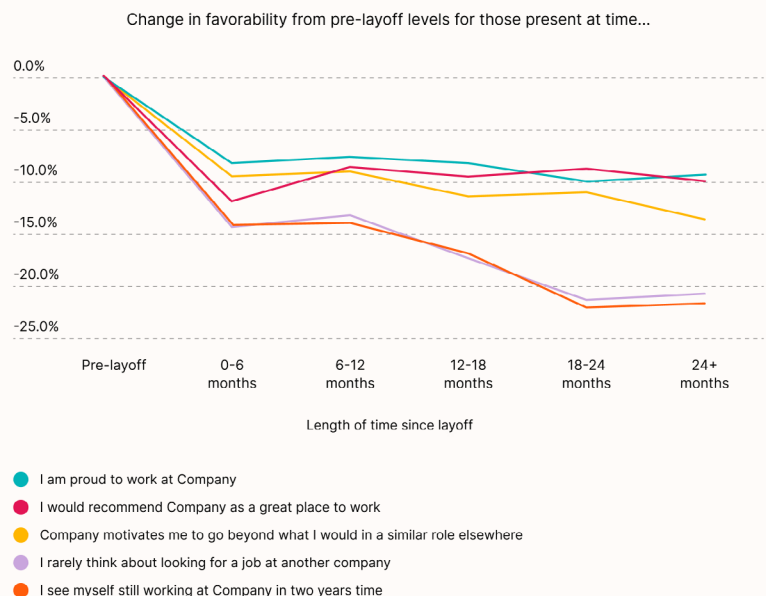


Tip 2:

Build company confidence

If a layoff or sizeable reorg is in the cards for your organization, expect both employee engagement and company confidence to take a long-term hit. Although many companies expect engagement to eventually rebound, Culture Amp research shows that employee engagement levels for those present during a layoff don't return to pre-layoff levels – even after 24 months. Be prepared to nurture remaining employees through post-layoff “recovery.”

FOR THOSE PRESENT AT TIME OF LAYOFF, IT NEVER RETURNS TO PRE-LAYOFF LEVELS



SOURCE: CULTURE AMP RESEARCH



Perceptions of leaders will also plunge dramatically. In response, leaders can:

- Foster spaces where employees can express their concerns, frustrations, or even their lack of trust.
- Consider the effects of layoffs on surviving employees as you move forward. Don't be tempted to power on and do more with less. Employees are human, and many of them will be adjusting to losing close colleagues and friends. They may also be questioning their own position at the company. Increasing workloads will only contribute to feelings of animosity.
- Communicate your priorities. Let employees know which projects take priority, so that they can work together to complete the most important tasks. This will help to create a sense of team morale and boost confidence following a difficult period of change.

Putting it into practice

Whether it's canceling nonessential meetings or blocking off space on calendars, make sure employees have access to the time they need to process and reflect. Everyone's response to drastic change will differ, so be flexible and understanding as they adapt to any new responsibilities. Listen to your people to ensure a smooth transition that supports all employees. Ask your employees what they want and need to do their work effectively given the new set of circumstances. You might consider creating space for these conversations by surveying employees, scheduling "open office" hours, or hosting "Ask Me Anything" (AMA) sessions with leadership. These are all ideal opportunities to build back their confidence in your company and convey what the future holds.



Tip 3:

Focus on development

Lack of development is the #1 reason why employees leave an organization.

If your organization suffers a layoff, surviving employees will question whether or not there's still capacity to grow with your company. Employees may fear that their growth will be stunted – i.e. no promotions or advancement – and that any existing development resources will no longer be available to them.

While it's understandable that you won't be able to increase employee compensation, you can still foster an environment of personalized growth by learning about each employee's aspirations. This is a good opportunity for you to reassign work in line with individual strengths and interests, which also offers your remaining employees a sense of ownership as they step up to take on new tasks. You might consider granting title-related promotions in line with these discussions. A promotion in title or seniority is a solid way to recognize employees' hard work and growth, but it's important to be transparent around your plans for future compensation once your company is in a better financial position.



Putting it into practice

Identifying what drives an employee in their day-to-day can help you better allocate resources to boost engagement. When an employee feels that their growth and future at the company is a priority for the business, you're likely to see better rates of engagement. There's no one-size-fits-all approach to career development, so it's important that both managers and employees are empowered to start these conversations and flag the areas most important to their specific role.

You won't be in a position to meet the needs of every employee right now, so take a roadmap approach. Show the employee you're listening to their needs, and work together to create plans and actionable steps for the future. Demonstrating an interest in their career aspirations will help keep employees focused on their unique tasks, while offering senior leadership and HR teams time to chart a path forward.

FIG 2. EMPLOYEE EXPERIENCE





Tip 4:

Double down on culture

The effects of a layoff aren't going to ease overnight. Some of your surviving employees may seek work elsewhere, and that's a perfectly normal emotional response. But doubling down on your organization's culture reassures employees that your business is going to bounce back and reaffirms their role in this transition. A strong organizational culture – especially during tough times – will also attract stronger candidates in the future when you're ready to ramp up hiring again.

Having and upholding core company values is foundational for both the employee experience and your organization's bottom line. In times of crisis or uncertainty, you can use these values to guide decision-making and help navigate conflict. Moreover, values instill pride in employees, strengthening your company culture, and laying a solid foundation for ongoing employee engagement.

Take it from Zech Dahms, Culture Strategist at Perennial Culture:

“Bring your employees together, so they have an open dialogue about any organizational issues. This can help create a sense of belonging and co-creation. Acting is just as important as listening because we need to act upon what we hear. Listening without acting is thin and ineffective, whereas acting without listening can also have issues. They must be paired together.”



Putting it into practice

Listening enables you to understand your employees' experiences and concerns, which in turn allows you to identify the aspects of your culture that are most important to focus on right now. Following a transition period, an employee feedback survey is a simple way to understand, prioritize, and act on the feedback of those who remain. Managers can also encourage their teams to share concerns in 1-on-1 conversations and use team meetings to promote collaboration, as it's likely that employees who haven't worked together before will now interact as responsibilities are divvied up.

However, listening is only meaningful if you take action to improve on what you've learned. Once you're aware of an issue, you must act on it with your company's core values and culture in mind. This step is crucial for establishing and rebuilding trust with your surviving employees, because it demonstrates that you genuinely care about their feedback and want to improve their overall experience at your company.

FIG 3. PUTTING IT INTO PRACTICE





Tip 5:

Offer support and resources

Layoffs take their toll on your entire workforce – not just those who were let go. Managers and employees will feel expected to resume work as normal even if their entire experience has changed overnight. Make room for employees to “grieve” the loss of colleagues and adjust to a new style of working. Set dedicated reflection time, remind employees of access to any mental health resources and support networks, and let them know that the decisions were difficult.

Even as employees blame those higher up for the layoffs, they will simultaneously look to you for guidance on what to do next. You won't have all the answers, but it's essential to be as transparent as possible and keep the lines of communication open.

Putting it into practice

No matter how invested you are in preserving your company culture following a layoff, it's inevitable that more employees will leave. Commitment decline is common, though what employees really want is to feel secure. Following a layoff, lingering uncertainty could accelerate an employee's decision to jump ship when in reality, that's the last thing they want to do. It may seem easier to avoid discussions around what's happened, but that will only contribute to feelings of distrust toward leaders. Instead, let your employees know where things stand.

Some employees may feel guilty that they weren't let go, so be as straightforward as possible around the circumstances and share the company's plans for helping those impacted, including support in a new job search. If the company has furloughed employees and expects to hire them back, surviving employees will take comfort in knowing that the situation is temporary.



The path forward

The world of work is evolving faster than ever, and companies must adapt to keep pace with the changing economy. This requires not only making important decisions about organizational change, but also acknowledging the impacts of those decisions and moving forward with authenticity and compassion. The tips above are by no means an exhaustive list of ways to recover from periods of uncertainty, but they should provide solid footing for you to ease into a sense of normality following an event like a layoff. Remember to keep the employee experience at the forefront – before, during, and after every decision your company makes.

FIG 4. LOOKING FORWARD



We'd love to help

Learn how Culture Amp can help you transform the employee experience at your company.

Get in touch