

### “CONSIDER ALTERNATIVES IN LIEU OF LAYING OFF EMPLOYEES”



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No employer likes the prospect of laying off employees, particularly if the decline in need is likely to be temporary. The challenge for management becomes this: what do we do when we don't need certain skill sets in our workforce today, but we probably will within the next year?

Idle skills might seem at first blush like inventory: costly for the company to keep and maintain until needed. One big difference, however, is the real cost of replacing employees once they have been let go.

At an estimated one to three times a person's salary, depending on level, it may actually be more cost effective to keep an employee whose skills will be needed down the road, rather than let them go. Consider not only the costs of termination, (severance, benefits, outplacement, unemployment, etc.) but costs of replacing them (recruitment, selection, orientation, training, learning curve, etc) when needed again.

Remember too, not only are skills going out the door, but also well-developed knowledge - of the industry, of the company and its history, employees, clients and customers, and of the important nuances of the organizational culture.

Before sending out pink slips, ask the employees for their ideas. It is healthy to be honest about the challenges that are being faced by the business. Don't think that they don't notice the slow-down. They do. When you invite your employees into the process of finding a solution, you will be amazed at their perspective and creative ideas, including ones that are often overlooked by management.

Here are some ideas that have been used by organizations that can be considered during a slowdown if you feel that the talent will be needed again within six months to a year:

- Offer voluntary four-day work weeks, with proportional cut in pay, until the business turns around. Many people have been heading toward burnout and this is an option that will allow them to re-energize and get their physical and emotional health back into balance.
- Offer opportunities for two people to reduce to half time and job share. This is another alternative that might be desirable, especially for workers who want more family time.
- If there is not an opportunity to job-share internally, use your network to find another non-competing business who uses the same skill set, who might want to share the talent, and together, keep the person employed full time.
- Use one person for two reduced jobs within the company, half time each. This may fulfill the needs of the departments, and expand the knowledge and skill sets of an individual, while maintaining his or her FT status.
- Where applicable and appropriate, ask each department if they are willing to take a percentage of paycut across the board to save the jobs of their co-workers.
- Offer voluntary leaves of absence: one month, three months, or six months. There are plenty of folks who would like to take a sabbatical to attend to an elderly parent, research and write a book, or go back to school full time to get a jump-start on or finish up an advanced degree.

There are many other alternatives that can be considered - just solicit the ideas from the employees themselves. The goal is to find win-win solutions.