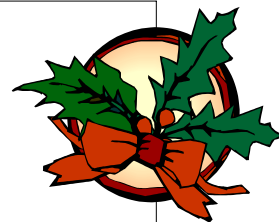


PEOPLE POINTS

December, 2001



To all of our good friends & clients, we thank you for your continued trust in Varga Associates, Inc. during these past 15 years. In lieu of Christmas Cards we are making a donation to Goodwill of San Antonio. We wish you a season of joy & happiness & a new year filled with prosperity.

CORPORATE ASPIRIN Reducing the Pain of Layoffs & Restructuring

Businesses have gone from the challenges of finding & retraining people as the profits rolled in to tightening belts & staring in the faces of employees who are being let go.

Whether due to a recession, terrorist attack, loss of a big contract, merger or acquisition, having to decide to reduce staff is no easy task. Regardless of the title, salary level or years with the organization the decision is never simple. Here are a few ideas to consider before, during and after a staff reduction.

BEFORE

- **Consider the alternatives.** Remember how difficult it was to hire & train those working for you. Try such ideas as: shortening hours, reducing salaries, job sharing,

temporary leaves, & loaning an employee. When business picks up you will be glad you took these measures & so will your employees.

- **Re-examine the strategic mission & determine critical skills needed to continue the operation.** Decide whether people or positions will be eliminated & develop a new organization model for company profitability.
- **Determine company provisions.** Severance pay, vacation, unemployment eligibility, health and thrift plan programs, educational benefits eligibility, references, etc.
- **Develop a Plan of Action.** Time, place, individual roles, security, career continuation assistance, computer security, internal announcements, and press releases need to be decided in advance.

- **Consider the advantages of having an outside Outplacement / Career Management professional help plan & initiate the process.** Their experience can be invaluable. Outplacement programs not only aid those whose jobs are lost, it sends a message to those left and the community, the company cares. The perception will enhance future recruiting efforts.

DURING

Having to inform an individual he/she is to be terminated is a tough & unpleasant task. Faced with this responsibility, the main objective is to accomplish it with a minimum of pain for you, the employee & the organization. If done well, people will feel they were treated with respect & dignity.

Tips:

- First Consider Alternatives
- Develop a Plan of Action
- Solicit Outside Assistance
- Minimize the Pain
- Encourage and Coach Survivors



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*Aligning People with Purpose
Because
People with Purpose Perform*

Since 1988 Varga Associates, Inc., a San Antonio Texas based, Management and Human Resource Consulting company has provided a range of services including:

- Outplacement
- Strategic Career Management
- Coaching with Confidence
- Leadership Development
- Assessments
- Surveys
- Retention Improvement Assistance
- Automated Applicant Tracking & AAP



AFTER

- **Understand the reasons for the termination & be able to explain them.** Get to the point, casual preliminary talk only heightens tension. Tell the truth but be brief. Maintain control & avoid platitudes like, "Oh things will get better." Self worth is important & it is better to offer positive support.
- **Understand the termination programs & what the company is prepared to offer.** Provide a written outline of these programs such as: severance, health benefits, outplacement, references & next steps. Avoid detail since most people will be experiencing some degree of shock.
- **Select a time carefully.** Avoid Friday afternoon (middle of the week is better) or around holidays. Reinforce the individual's skills & offer to meet again at a later time.
- **Be prepared for questions and statements.** Why am I being terminated? Who else is being let go? Who can I talk to about this? I want to see the President. I want to talk to my attorney.

While trauma to the terminated employee is real, there is also stress & confusion with remaining employees, 'the survivors'. The organization has suffered too, so managers must understand how to handle these issues.

- **Organizations & managers need to reset goals & objectives appropriate to the new organization.** Abilities need to be evaluated, common sense should prevail over rigid procedures.
- **Encourage & coach.** Now is not the time to retreat to one's office, A manager needs to be seen encouraging, coaching, communicating & participating.
- **Create a positive environment.** Be caring, provide structure, be realistic & by all means be willing to accept mistakes & laugh.

These ideas cover some highlights.

Undertaking such difficult measures may require expert help, don't hesitate to request assistance. If such reductions are carried out poorly the result can be resentment, anger, badly damaged public image, & legal consequences.

If you would like a **FREE** copy of a more detailed description of the information above just complete and **FAX BACK** to 210-490-3393

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