



Challenger, Gray & Christmas, Inc.
The original outplacement company



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FOR IMMEDIATE RELEASE

Layoffs Skyrocket as Recession Deepens

COMPANIES SHOULD DEAL HEAD-ON WITH SURVIVORS' GUILT

CHICAGO, August 18, 2020 – Companies announced nearly 1.6 million permanent job cuts in the first half of 2020, according to tracking by global outplacement and executive and business coaching firm Challenger, Gray & Christmas, Inc. The Bureau of Labor Statistics puts the number of unemployed people at nearly 18 million. With staggering numbers like these, those who are left in the office almost certainly feel the strain of survivors' guilt, according to one workplace authority.

“Layoff survivors' guilt is very real and very common, even in a strong economy when the likelihood of former colleagues finding other positions is strong. However, now the additional stress of working and living through a pandemic can make survivors' guilt even more acute,” said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

“The departure of colleagues, whether through an individual or mass layoff, tends to come with decreased morale for those who remain. Even if the layoffs are considered ‘for-cause,’ remaining workers not only may feel sorry for their former co-workers, they also must build new relationships and redistribute work, which creates additional stress,” he added.

A June online survey of 150 Human Resources executives at companies of various sizes and industries nationwide by Challenger inquired how businesses are addressing the virus. Although only 3% of respondents said some or all of the workers who were furloughed have been laid off, and 23% said some or all of the furloughed workers were being recalled, 20% said their companies have conducted permanent layoffs in response to the pandemic, up from 11% in March.

“Although many employees – and their employers – may have hoped that layoffs due to the pandemic were temporary, the stark reality is job losses are becoming permanent across multiple industries,” said Challenger.

According to the Bureau of Labor Statistics, “The number of unemployed persons who were on temporary layoff decreased by 2.7 million in May to 15.3 million, following a sharp increase of 16.2 million in April. Among those not on temporary layoff, the number of permanent job losers continued to rise, increasing by 295,000 in May to 2.3 million.”

“As this new normal of downsized work environments is recognized, employers should be proactive in dealing with the mixed emotions prevalent in their remaining staff,” said Challenger.

Challenger offered the following advice to employers on how to work through survivors’ guilt with their teams.

- **Acknowledge your existing workers are mourning those relationships.** Employers should recognize that these feelings of guilt are real. Their employees may be wondering why others were laid off and they were spared. Anxiety may be mounting about when it will happen again. This can lead to low morale and potentially create disengaged, unmotivated workers. Company supervisors should be accessible to listen to these concerns and to emphasize how much the company values these workers.
- **Communicate the company’s plans to all workers.** Create a communication plan that offers guidance on how supervisors should address recent layoffs to their existing workers. This is especially necessary if the company may lay off more workers down the road. No doubt questions will arise and workers may feel the need to look elsewhere for work. To retain existing talent, let workers know you value them.
- **Conduct engagement surveys.** It may be challenging to gauge morale when many workers are still working from home. Distributing a survey to keep your finger on the pulse of morale and engagement can give employers valuable insight into how their teams are feeling. Supervisors should also conduct one-on-one videoconferencing to listen to workers’ feelings post-layoffs.
- **Adjust the resulting extra workload fairly and evenly.**
- **Acknowledge good work, including the good work of those who were laid off.** During a layoff that is strictly for business reasons and not the fault of those who were let go, acknowledge that those workers were essential and helped the company grow. Existing employees know if their colleagues were good workers and will appreciate knowing their employer recognized this as well. Be vocal in appreciating the contributions of those who remain.

“If you do not recognize that survivors are dealing with a lot of emotions, the result can be a company that motivates workers by fear instead of loyalty. This can lead to disengaged workers who will jump ship as soon as the economy improves and opportunities present themselves. At that point, employers could be left scrambling to fill the positions of the most competent employees to keep their businesses afloat,” said Challenger.

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