



Feature: Harsh Reality: HR on the Edge as Economic Downturn, Layoffs Generate Stress

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As the economic downturn grinds on, HR managers are under stress like never before. An exclusive *Workforce Management* survey has found that overseeing layoffs and other recession-related matters has worn on many of these leaders, some of whom are considering leaving the profession altogether.

By Jessica Marquez

Even after 28 years as an HR executive, Ed Evans could barely sleep in the days leading up to his company's layoffs.

"Even if I wasn't doing the layoffs myself, I still was kept up at night," says Evans, who retired from Phoenix-based Allied Waste in February after the company's merger with Fort Lauderdale, Florida-based Republic Services was completed. Before he left, Evans helped oversee the integration of the two companies, which included the layoff of 800 employees.

That kind of anxiety for HR professionals seems to be exacerbated by today's uncertain economic environment, as many are finding themselves on their fourth or fifth round of layoffs in the past 18 months and consequently under mounting personal and professional pressures, according to a recent survey by *Workforce Management*.

The HR Anxiety Survey, conducted May 26-June 3, also elicited some disturbing responses from the 372 respondents: Some say they drink more alcohol or have taken up smoking cigarettes; a large number are considering a career change; still others complain that they are called the company's "Grim Reaper" behind their backs. What's worse, few who are feeling stress have followed their own advice to use company-sponsored assistance programs.

"HR professionals are supposed to be the organizational caretakers at their companies," says Francie Crosby, a licensed professional counselor at Cope, a Washington-based employee assistance program. "But what happens when they are having trouble taking care of themselves?"

And when they aren't conducting layoffs, they are planning for them. In interviews with *Workforce Management*, a number of HR managers said they have spent anywhere from 20 to 50 percent of their time in closed-door meetings reviewing their workforces and helping managers decide who was going to get cut if another round of layoffs was necessary.

"It's just so difficult because you have spent so much time hiring these people and making sure that you have the right staff in place, and then you have to spend hours figuring how to make reductions to meet profit margins," says one 30-year-old HR manager at a New York-based professional services firm.

As a result of the ongoing nature of today's massive workforce reductions, the majority of these HR managers say they are experiencing sleeplessness, increased anxiety and depression, while a few are using substances to cope, according to the survey.

For companies, the implications could be costly. Almost half of HR managers who have conducted layoffs in the past 18 months say their stress over the layoffs has affected their job performance, according to the survey. But a bigger potential problem for companies is that they could lose their HR staff.

Thirty-five percent of respondents have considered or seriously considered changing careers, according to the survey. In interviews, they cite burnout and low morale as reasons that they are thinking about leaving. An additional 3 percent have already begun the process of changing careers or jobs.

Companies also need to think about the possible health problems these HR managers may experience, experts say. A 2006 study conducted by Leon Grunberg, a sociologist at the University of Puget Sound in Tacoma, Washington, followed 410 managers over 10 years and found that those involved with layoffs were more prone to sleep problems, ulcers, headaches and heart trouble up to three years after the layoffs.

“That could mean higher costs to the employer,” says Sarah Moore, professor of psychology and an associate academic dean at the University of Puget Sound.

Taking into account the implications of layoffs on those who must conduct them isn’t something that is on most companies’ radar screens, experts say.

While many employers offer outplacement services for employees being laid off, very few are focusing on the psychological implications of conducting layoffs for the HR managers.

Stressful times

For many HR managers, this is the first time they have had to conduct multiple rounds of layoffs within months, experts say.

“In the past a company would cut a large number of people and be done with it,” says Ilene Gochman, practice director, organization effectiveness at Watson Wyatt Worldwide. “But today, it’s chunks at a time.”

Forty-eight percent of respondents to *Workforce Management’s* HR Anxiety Survey say they have conducted three or more rounds of layoffs in the past 18 months. Forty percent say they expect another round of layoffs by the end of the year, while 26 percent say they are certain there would be another round.

The survey also found that 66 percent are worried about losing their own jobs, while 7 percent had already lost their jobs.

“Everyone is concerned about their jobs right now,” says Shirley Babbitt, HR manager at Eugene, Oregon-based Lanz Cabinets. “We are dependent on people remodeling or building new homes, and that’s just not happening.”

Not surprisingly, 73 percent of respondents say they are somewhat stressed, depressed or anxious as a result of having to conduct layoffs, while 11 percent say they are extremely so. Fifty percent have experienced some sleeplessness, while 17 percent say they have experienced frequent to extreme sleeplessness.

Twenty-three percent of respondents say they have occasionally used a substance to cope with anxiety, while 7 percent say they are frequently doing so.

“I am definitely drinking more, and I started smoking again after quitting for two years,” says a 30-year-old HR manager at a New York-based professional services firm that has conducted four rounds of layoffs since August. Almost half of the HR managers surveyed (49 percent) say their increased anxiety has affected job performance.

“Definitely for a while I wasn’t as engaged in my job,” says a vice president of HR at a financial services company who participated in the survey.

After laying off 2,000 people within four months, the HR executive says it was difficult to get excited about the job. “I have thought of changing industries or being a stay-at-home mom,” she says.

Many HR managers find themselves emotionally distancing themselves from their employees.

“You almost don’t want to get too close to them because it hurts worse when they have to leave,” says Laura Rhode, HR director at Bonita Springs, Florida-based Sunshine Ace Hardware Stores. (Rhode did not

participate in the survey.)

Emotional distancing is a common trait among managers who conduct layoffs, according to the University of Puget Sound study. In interviews for that study, managers who had conducted layoffs were more likely to report increased distancing behavior than those managers who had not been involved in layoffs.

And even if HR managers aren't distancing themselves from employees, some are finding that employees are distancing themselves from HR.

Twenty-five percent of respondents say that employees have treated them differently since the layoffs at their companies.

One survey respondent refers to a lack of trust from employees who view HR "as the enemy." Another respondent says employees use terms like "Angel of Death" and "Grim Reaper" when HR walks into a room.

Reaching out

Despite suffering from sleeplessness and anxiety, very few HR professionals are reaching out to professionals for support, including their employee assistance programs.

Only 9 percent of respondents say they have reached out to professionals, such as their EAP, for assistance.

"It's a little distressing that they aren't reaching out to EAPs, because if the HR person doesn't have confidence in the EAP, then you have to wonder about the average employee," Gochman says. "But it could also be that the HR person feels that this is part of their job and they should have the strength to deal with it."

Instead of reaching out to professionals, several HR managers said in interviews that they were reaching out to other HR professionals within and outside the company.

"I have reached out to some of my HR friends at other companies and they have been incredibly helpful," says Babbitt of Lanz Cabinets, which laid off 27 people in May. "We are really leaning on each other right now to make sure we are doing the right thing and to support each other."

Some respondents said in interviews that they would love the ability to join a formal support network on this issue, but recognize that it could be a touchy subject. "Everyone recognizes that layoffs occur, but once you put together a formal network of HR managers to support each other, it will scare the crap out of folks," said one recruiting manager at a global law firm.

The most common way that employers try to prepare HR for conducting layoffs is through training. Sixty percent of respondents say they received training or materials to help them conduct layoffs. Ninety-nine percent of those respondents say the training they received was helpful.

While training can help, HR professionals say the best way to alleviate some of the anxiety associated with conducting layoffs is to make sure they understand the business strategy behind them.

"Too many companies leave HR in this 100 percent HR role and don't let them understand the business," says Evans, the retired Allied Waste HR executive. "The more they can help them understand the business strategy, the easier it is for HR—particularly more junior HR professionals—to do these kinds of things."

Giving HR the chance to reduce the number of layoffs or come up with alternatives can also help alleviate their stress and give them more of a sense of control.

For example, at Sunshine Ace Hardware Stores, Rhode suggested brainstorming with employees about ways to avoid layoffs. Together, the workforce of 340 employees came up with the idea of cutting back everyone's hours, which helped the company avoid layoffs.

Similarly at Lanz Cabinets, the company's president, Brent Lanz, is trying to see to it that all 27 people

who were laid off in May will be able to return to their jobs after the summer, Babbitt says. "He is out there beating the streets for sales," she says. "It definitely made it easier to deliver the news knowing that."

Employers also can help HR managers get through these difficult times by focusing them on rebuilding the company's culture post-layoffs, Watson Wyatt's Gochman says.

"Companies want to get HR focused on the people who are staying and how can they get the business to turn around," Gochman says. "It gives HR more of a sense of control and helps them be proactive."

The good news for HR is that many understand that as difficult as these times are, they will pass. Only 19 percent of survey respondents say they believe that their current anxiety will have long-term effects on their job performance.

"The layoffs will stop at some point, and then HR can focus on rebuilding," Gochman says. "The things that brought HR joy will come back."

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Jessica Marquez is New York bureau chief for Workforce Management. E-mail editors@workforce.com to comment.

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