



Torch P.O.V.

Using Coaching
During
Layoffs



Our Quick Take

Coaching provides many different benefits including an additional layer of support when your organization changes.

When your organization is experiencing fast and drastic changes like a reduction in force, coaching provides an extra layer of support to your leaders when they need it most.

Layoffs are the [second highest predictor of attrition](#) with [employees being 10x more likely to quit](#) after a round of layoffs. It is an essential time to offer employees more support to navigate changes.

Coaching helps to stabilize your organization and focus employees on strategic priorities by addressing the psychological stressors that layoffs present (e.g. loss of motivation). It can help employees adapt to the new environment and adopt mindsets that help them move through change rather than remaining stuck.



What the Science Says

Layoffs are highly stressful events that increase employee disengagement, burnout, and turnover. These challenges have a multiplicative effect that makes stabilizing the organization and delivering on organizational priorities challenging and sometimes impossible.

Disengagement

After large-scale organizational changes, a decrease in employee engagement is the first challenge HR leaders may see. This may show up as decreased employee productivity and increased amounts of sick leave taken.

Since employee engagement is the amount of additional effort an employee decides to give to their job, it is common to see them pull back after a reduction in force. The decline in engagement may be caused by:

- Increased employee stress, job insecurity, and negative sentiment—all of which are highly contagious from one employee to another or from leaders to employees
- Decreased trust in the organization and its leadership
- Decreased productivity toward the organization's goals at a critical time
- Increased resource-guarding and silo-ed behaviors as people think about preventing future losses (Hobfoll, 1989)

Stress and Burnout

When an organization has a reduction in force, it often hopes to achieve the same level of productivity with fewer employees. As employees depart, the remaining employees often see their workloads and job demands increase. With the increase in job demands, there is an increase in work stress.

Work stress is more expensive than many organizations realize. A Stanford researcher was able to estimate the cost of job stress to US employers as more than \$300 billion annually while likely contributing to more than 120,000 excess deaths each year (Pfeffer, 2018).

Employees who experience chronic stress (increased stress over time) are at high risk of burnout. While the employee burning out feels the pain of this most acutely, burnout has impacts beyond the burning-out employee.

The stages of burnout occur in a particular pattern (Maslach & Jackson, 1981):

1. **Emotional exhaustion** - an employee lacks the energy to moderate and control how they express their emotions. This means an employee may react more strongly and negatively than they would have previously or if they were better rested. As employees have negative emotional reactions, these are likely to spread to other colleagues who also lack the energy or ability to reframe them (Barsade, 2002; Barsade et al., 2018; Baumeister et al., 2001)
2. **Depersonalization** - as an employee progresses through the stages of burnout, they will begin to depersonalize other people. This means they treat co-workers as objects instead of people with emotions and agency. This shift in behavior can cause disharmony in and among teams right when they need to find ways to rebuild and work together effectively
3. **Reduced performance** - the final stage of employee burnout is decreased in-role performance. A burned-out employee will be even less productive and engaged than they may have been right after a lay-off event. Their reduced in-role performance can affect the odds of them remaining with the organization and hurt the delivery of cross-functional initiatives.

Left unchecked, chronic disengagement, stress, and burnout ultimately lead to increased rates of employee turnover.

Turnover

A recent study published in a top academic journal found that, after company-wide layoffs, employees were 10x more likely to quit (Sajjadi et al, 2023). While all employees were more likely to resign, turnover among high-performing workers increased by 75% (Sajjadi et al, 2023).

Losing high-performing employees after an intentional reduction in force creates a vicious cycle of more work to be done across an increasingly smaller group of employees. As work pressures increase, so does the likelihood of disengagement and burnout, leading to more employee turnover.

Taken together, not providing intentional support after layoffs can hurt an organization's ability to make progress on key priorities after cutting personnel costs. That is because remaining employees are less productive and engaged than they were before layoffs occurred.

How Coaching Helps During Layoffs

Coaching can be critical in supporting your people and helping them chart the path forward. Providing a coach allows for personalized support, depending on the unique circumstances and reactions of each employee.

Coaching helps:

1. **Boost retention of high-performing talent** - Coaching retains employees by providing an intentional and external place to process emotions without spreading negativity internally. It also helps to re-establish internal motivation and self-efficacy.
2. **Increase organizational capacity and effectiveness** - Coaching supports this by decreasing stress and burnout. This could include exploring how to restructure one's work through time management, prioritization, or delegation.
3. **Rebuild organizational culture** - Coaching helps by boosting employee engagement through exercises like values alignment and job crafting to identify hidden opportunities for personal and professional growth.
4. **Boost new leader performance immediately** - Coaching decreases the time-in-role needed for newly promoted leaders to be effective and supports them while they have difficult conversations needed to rebuild employee trust and productivity.

Recommended Coaching Solution

Audience Description: There are many populations you could support with coaching. To pick the right one, consider highly visible leaders tasked with rebuilding employee trust, essential high-performing employees you want to retain, or leaders who have been promoted as a result of the reorganization.

1:1 Coaching

- Access to unlimited 1:1 coaching meetings over 6-12 months

Why:

1:1 coaching is the most effective & efficient way to gain essential leadership skills:

- 1:1 coaching is highly personalized to the participant & helps them to make fast progress by using existing strengths to develop new skills

- 1:1 coaching participants typically develop 9 new skills & make lasting behavior changes because participants practice new skills in the situations in which they will need them
- The changes participants make ultimately drive key organizational goals like retention, promotion, and team performance

Receiving 1:1 coaching can help participants reframe challenging events:

- Coaching has the proven ability to increase the self-awareness and self-efficacy of leaders so that they feel empowered to recognize & navigate difficult moments with sensitivity
- Discussing the impacts of a reorganization with a coach helps participants reframe their experiences. This helps them to look for places where the reorganization may provide benefits to them and their teams
- Intentionally providing leaders with a coach gives them a safe space to express their stress and negative emotions, reducing the likelihood of negative emotional contagion

1:1 coaching has a proven effect on employee retention - even during reorganizations.

Torch research shows:

- When comparing groups that have received coaching to those that have not, providing coaching has increased the likelihood of retention by 30-50% with normal usage and by 42% after a layoff and reorganization
- Participants in 1:1 coaching have increased the engagement of their direct reports by 15%

Do you have more questions about the best way to deploy coaching in your organization?

We're here to help!

[We'd love to talk through what's on your mind.](#)



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Torch

Torch is the People Development Platform that unlocks the potential of people, teams, and organizations.

By combining 1:1 and group coaching, Torch helps you design, manage, and measure programs that drive the success of your people—and your organization.

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