



Published: 12/8/2008

Viacom's layoff letters balance facts and emotions

By Sarah McAdams

sarah_mcadams@yahoo.com

Executive memos convey empathy, not corporate jargon, to laid-off workers

Viacom is just one of a slew of companies to announce major layoffs recently; the way its leaders told employees sets it apart from many of its peers.

The company—whose brands include MTV, VH1, BET, Nickelodeon and Paramount Pictures—announced a 7 percent (or 850-person) work force reduction Thursday. President and CEO Philippe Dauman and CFO Tom Dooley sent a joint all-employee e-mail the same day; shortly thereafter, Judy McGrath, CEO of MTV Networks, sent an e-mail to workers in her division.

The authors of both memos avoided the more common clinical communication style in such situations—and succeeded in balancing factual information and empathy.

Wrote the CEO and CFO ([read the full memo here](#)):

"...With less than a month until the close of 2008, our entire organization continues to do everything possible to anticipate and adapt to the unprecedented changes affecting all our businesses. We know it hasn't been easy and we couldn't be more proud or more appreciative of how you have risen to the challenge.

...Today, we are announcing a company-wide restructuring plan that includes staffing reductions in all divisions. This will result in a reduction of our worldwide workforce of approximately 7 percent, or about 850 positions. We are also suspending salary increases for the Company's senior level management in 2009. In addition, after a comprehensive review of our operations, we will write down certain programming and other assets. These three actions will bring us significant cost savings and other efficiencies.

Top managers at every part of the company worked thoughtfully, carefully and compassionately to create a leaner, more focused organization. It was not an easy task, but it was an essential step that will keep Viacom at the competitive forefront today and tomorrow. Department heads and supervisors will provide you with more information about the changes that will be taking place in your division.

Saying goodbye to friends and colleagues is always difficult, particularly when we have shared so much. Those of you who will be leaving should be proud of your contributions, which we will always respect and appreciate. We thank you and we wish you the best.

This memo is a well-constructed, legally vetted, highly corporate message, says Suzanne Bates, author of *Speak Like a CEO* and the upcoming *Motivate Like a CEO, Communicate Your Strategic Vision and Inspire People to Act!*

"It doesn't offend, because it acknowledges the pain, and also promotes a positive message about the future," says Bates, who, as president and CEO of [Bates Communications](#), has ramped up its work with Fortune 1,000 CEOs over the past month.

Not all insiders agree, however.

"The only time people hear from Philippe is when he's firing them," said a former executive, quoted in the [New York Post](#) Friday.

But in the same story, another source disputed that view: "Dauman's always been available to speak at conferences or meet with clients whenever needed."

The bottom line, says Bates: "It's always important when delivering bad news to give it to people straight, acknowledge the pain and then focus on the future. They follow the formula here."

Not as formulaic, however, was the reference to leadership sacrifices.

"I applaud CEO Philippe Dauman and CFO Tom Dooley for ... putting some leadership skin in the game by announcing that salary increases for the company's senior level management have been suspended in 2009," says [Jenny Schade](#), a corporate communications consultant who specializes in working with organizations experiencing restructurings and layoffs.

Less corporate lingo, better tone

But even better, Bates says, was McGrath's memo. Here's an excerpt ([read it in its entirety here](#)):

"We all know there's a fundamental restructuring of our entire economy going on, and it extends beyond our borders. This is not just about MTVN, Viacom or even sister media companies—it's happening in every industry, all over the world. This doesn't make it easier to say goodbye to people we love and respect, but it is the hard truth. In these tough times, we are responsible for sustaining and reinventing our company as thoughtfully as we can. The changes we're making today are necessary, difficult and the responsible way for us to move forward.

... Specific details of the changes and how they affect you and your group will be communicated by your department heads today.

... Change like this is so tough, to say the least. But we must accept that we operate today in a state of constant evolution, constant change.

... Everyone here contributes to MTVN and Viacom every single day and night without exception. We hate to see dedicated friends and co-workers leave us, and we say goodbye with care, gratitude, support and respect."

Says Bates: "The tone is appropriate, the language is conversational, the sentiments seem more genuine and the messages more straightforward. I would give Judy an A."

Many companies, she is quick to add, get Fs.

"I still hear about businesses that have fired people by e-mail," she says. "Any company looking at how to communicate bad news should think about their own employees, their own culture, their own challenges, and do everything they can to make the communication 'real,'" she advises. "While people expect it to be vetted by the lawyers, they appreciate it when it sounds like it's really coming from the leader, in his or her voice. That's what Judy's memo does so well."

It also spells out the next steps: *Later today, your supervisor will tell you what all this means to you.*

The three tiers of alignment

Layoff announcements are complicated at any organization. But when your company has multiple businesses or divisions, the process can get extremely thorny.

Getting everyone on the same page—both those doing the communicating and those receiving it—can be particularly challenging, says James Donnelly, senior vice president of crisis management at [Ketchum](#).

"Based on [Thursday's] announcements, Viacom seems to have achieved a great amount of alignment on their labor reductions communications," says Donnelly, who's helped many clients craft layoff communication over the years. "That takes a great deal of coordination."

In this case, the alignment covered several areas:

Messaging: Smart communication about these announcements must align the interests of employees (affected and unaffected), shareholders and business partners. "In some cases, these announcements must also address politicians, regulatory agents, union leadership and a host of other interested parties," Donnelly says. "At times, this can be extremely difficult, but Viacom's announcement is appropriate and covers multiple audience interests."

Enterprise-wide alignment: "It is impressive to see the company's alignment through several levels of the organization—communications from CEO Dauman, CFO Dooley and MTV CEO McGrath seem tightly coordinated, and McGrath's note suggests that more customized information will cascade down through department heads," he says, adding that Ketchum often advocates this type of cascade approach:

"Enterprise leaders should paint a broad picture. Division leaders should then make this

information relevant to each operating unit. Finally, line-managers should speak face-to-face with employees to really customize the information. Sometimes this is done on an employee-by-employee basis, which is a good forum to solicit feedback and concerns.”

Aligning actions with manager feedback: Dauman’s and Dooley’s note states: “Top managers at every part of the company worked thoughtfully, carefully and compassionately to create a leaner, more focused organization.” This suggests that “the planning for these announcements very deliberately incorporated feedback from line-managers,” Donnelly says. “This is all employees can ask for—deliberate fairness—when companies are forced to make very difficult decisions.”

The one area where alignment might have been lacking? That between day-to-day communication and crisis communication (if the source in the *Post* is to be believed).

“Your communications in bad times need to be aligned with the frequency and tone of your communications in good times,” Donnelly says. “If indeed Dauman only communicates in bad times, this type of negative reaction from employees is the norm.”

What should Viacom do next?

This is not a time for formal PowerPoint presentations, says Schade, president of JRS Consulting, in Wilmette, Ill. “It’s a time for candid discussions, including Q&A, about how the organization is doing and what employees need in order for them to be engaged and productive,” she says.

([Read Schade’s tips for keeping remaining employees engaged.](#))

Indeed, you must focus on the future, Bates says—what you can control.

“What works best in a crisis is to be honest about what’s happening and get people thinking about what all of them can do, going forward,” she says. “What’s done is done, and there is nothing any of us can do, or probably could have done, about market panic. Remind them there is a plan, tell them how you’re going to adjust, answer their questions, but keep the focus on what’s ahead.”

Contact Suzanne Bates at sbates@bates-communications.com

Contact Jenny Schade at jenny.schade@jrsconsulting.net

Contact James Donnelly at James.Donnelly@ketchum.com