CEOs: Should You Be Publicly Weighing-in on Layoffs?

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Michael Schmidt was quoted in *Talent Management* discussing the risks a CEO is making with a public statement about layoffs. "There is a fine line between the positive impact from senior management being transparent, open, and communicative about decisions made by the company, on the one hand, and ensuring on the other hand that any statements made by senior management may not be taken as offensive by employees or otherwise do not violate the law. We have recently seen an uptick in company executives making public statements (either distributed internally to employees or posting externally through social media) on issues in the world such as the war in Ukraine, state legislation, the Supreme Court's *Dobbs* decision, and social justice movements, as well as on company-specific issues such as layoffs or work stoppages. While most communications are intended to have a positive impact, there is a significant risk," he said. He named three specific risks:

1. "Depending on the issue, there is a risk that some employees — particularly those impacted by the particular issue — might be offended by the statement made. In that case, employee morale may be damaged or worsened." (Consider that a study by researchers at the University of South Carolina and the University of Wisconsin–Madison found that laying off as little as 1% can lead to a 31% increase in voluntary turnover.)
2. "Depending on the content, such statement may be deemed retaliatory or violative of employees' rights under the National Labor Relations Act to engage in 'protected concerted activity,' or perhaps state law that permits employees to engage in 'lawful activities' outside of work hours and off-premises."
3. "Once 'out there' a statement can never truly be deleted, and there is a risk that any statement by senior management in real time may ultimately prove inconsistent with, or damaging to, a subsequent position by the company in litigation surrounding the layoff or other issue involved."

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