UNIVERSITY of HOUSTON
HUMAN RESOURCES

REDUCTION IN FORCE

Manager's Tool Box

Overview

Changes in the global, national and local economic business climate, organizational alignment and/or strategies may require (or influence) a need to reduce personnel through a reduction-in-force ("RIF") action. The role and responsibility of a manager in a reduction-in-force action is of paramount importance. The purpose of this Manager's Toolbox is to ensure that you adhere to University procedures.

Regardless of your role in assessing which employees/positions will be selected for reduction, you may be asked to assume the responsibility of personally notifying an individual that his/her job is being eliminated. You may be called to assist in the release of employees who report directly to you as well as non-direct reports within your college/division. Either situation is difficult and will require preparation and good judgment. It is imperative that you, as a representative of the University, adhere to all established processes and directives in order to prevent confusion and potential liability to the University and the employee.

This Management Toolbox will allow you to better understand:

- RIF determinations;
- The "mechanics" of the RIF process;
- Effective preparation and completion of the employee release
- process; The employee separation materials.

I. Primary Managerial Responsibilities:

- Efficiently adhere to the RIF process.
- Become familiar with the content of the separation materials so that reviewing the materials with the employee will be delivered with knowledge and clarity.

- Notify the employee that his/her job is being eliminated.

- Help the employee remain positive about the University and begin the transition process in a positive way.

- Collect all University Property and discuss a departure plan.

- Seek direction/counsel when uncertain or unexpected problems occur.

General Notes:

- A RIF generally based on economic factors related to current business conditions and/or anticipated business requirements.

- No employee will be approved for release until Human Resources and other administrative officials review and approve the proposed action.

- Human Resources is responsible for the timely distribution of the materials that managers are to provide to the departing employee.

- All employee notification are to be conducted in person. If fo some reason other arrangements must be made, discuss the reason with your leadership and Human Resources.

- The RIF action is not a "layoff." A RIF action is not to be considered "temporary". All employee release action are to be considered final. There are no "recall" provisions and no promises of re-employment should be made.

- Pending (or post) RIF actions are strictly confidential and are not to be discussed with anyone who does not have a "business necessity to know".

- Employees being released will receive pay/benefit continuation in accordance with the MAPP 02.04.06, Reduction in Force.

- It is a manager's responsibility to ensure ALL University property is returned.

- It is a manager's responsibility to know if any departing employee owes the University money (overpayments, parking, loans, etc.) and to notify the employee at the time of release of his/her responsibility to repay any money owed; in accordance with MAPP 05.03.01, Employee Financial Responsibility.

RIF Determinations

The following steps are to be followed and factors considered in the organizational review and development of a RIF plan:

A. A clear statement of the rationale for eliminating or reducing programs and/or services must be developed. The statement must address the ultimate benefits to be achieved, such as reallocation of resources, effecting a budgetary reduction, or enhanced productivity.

B. Unit functions and responsibilities must be carefully analyzed to determine which areas, activities, programs, organizations, or classifications should be reduced.

C. The jobs and functions that will need to be performed after the reductions are identified.

D. The qualifications and abilities of present employees to perform the jobs remaining should be evaluated. In evaluating present employees, a manager should consider the following employee characteristics:

1. Effectiveness on the job, including past performance, records of achievement, and disciplinary history.

2. Specialized training and skills necessary for a particular function, such as proficiency in use of equipment, licenses, or special certification.

3. Length of time in service with the University.

4. Amount of total work experience in the field, including applicable non-UH experience.

E. The nature of the RIF and the employees affected must be determined. All documentation prepared in the evaluation process and an explanation of the recommendations will be sent to the dean of the college or director of the department for concurrence.

F. In the case of an employee whose duties are divided between two or more departments, a RIF decision by one department will not obligate the other(s) to increase the appointment and funding to compensate for the reduction

II. General RIF Steps

General RIF steps are as follows: (*Detailed RIF information can be found in MAPP 02.04.06)*

1. Write a confidential memo addressed to Associate VC/VP of HR that includes the following information. (example below)
   - State the function being considered for RIF and why (ultimate benefit to be achieved)
   - Describe why the RIF is necessary

- Describe what the function does and what functions will be reduced
- Describe what job functions will continue to be performed after the RIF, and who/how they will continue to be handled

2. Write a sample letter to the employee notifying them of the RIF. (see attached example)

3. Document a current org. chart and a proposed org chart.

4. Document a matrix of the individual(s) affected in the department that includes the following information:
   - Name
   - Title
   - Job Grade
   - Salary
   - Gender
   - Race
   - DOB
   - Disabilities
   - Date of UH Hire
   - Date of Department Hire

5. Obtain copy of job description of current and proposed (if any) position(s).

6. Forward the following to HR: - RIF Memo
   - Sample RIF letter to employee
   - Org Charts
   - Matrix
   - Job description(s)

7. The documents will be reviewed for approval as follows:
   - Dean of College or Director of Department
   - Human Resources
   - General Counsel
   - VP of Division

8. Pending approval, you may then notify employee (must give at least a 30 day notice)

SAMPLE DOCUMENTATION

RIF Cover Memorandum

Confidential Memorandum

TO: Gaston Reinoso, Associate VC/VP, Human Resources

FROM:

DATE:

SUBJECT: Proposal to RIF (*title*) Position

In an effort to (*list basic reason for RIF)* a comprehensive review of the (*area/department affected by RIF)* has been performed. As a result,

- *State the function being considered for RIF and why (ultimate benefit to be achieved)*
- *Describe why the RIF is necessary*
- *Describe what the function does and what functions will be reduced*
- *Describe what job functions will continue to be performed after the RIF, and who/how they will continue to be handled*

(Optional) Under the proposed reorganization, *(list benefits of new organization)*. The funds made available as a result of the RIF will be used (*give details)*. The creation of *(if a position is created, list the benefits of that position).*

The staff member who will be released as a result of the reorganization (*give some information on the individual(s) being RIFed ~~-~~ name and title).* The college plans to continue employment for the staff member for *(must be at least 30 days)* from the date of the notice to the employee.

The (*unit/division)* is seeking approval to go forward with the reorganization and reduction in force in the (*department/center).*

Approved:

Dean of College or Director of Department	Date
Gaston Reinoso, Associate VC/VP, Human Resources	Date
Dona Cornell, General Counsel	Date
Vice President of College / Division	Date

SAMPLE RIF LETTER

Date

Dear ________________

After a critical review of our budget, and consideration of all the competing needs for the *department*, I regret I must inform you that we are eliminating the position as of *date*. In accordance with MAPP 02.04.06 - Reduction in Force - this letter provides you with at least a 30-day notification.

The Human Resources Department realizes that this may be a difficult transition and it is committed to sharing available resources with you as you make the necessary adjustments. Employment counselors are available to assist you with your job search by identifying your skill set and interests, providing résumé review and offering interview techniques. You can access these services by scheduling an appointment with Cristian Garcia at cgarci38@Central.UH.EDU; 713-743-7085 or Nicole Babineaux at nbabinea@central.uh.edu ; 713-743-0363.

If you are currently enrolled in any of the employee benefits programs offered by the university, you can contact Deanna Holmes at dholmes@uh.edu;713-743-3689, to help you understand termination dates for certain benefit programs.

Should you wish to appeal this reduction in force, you must file your appeal in writing to the Office of Equal Opportunity Services within (10) business days of receipt of this written notice of reduction in force. The burden will be upon you to show that this action was not reasonably related to the legitimate reduction in force factor.

Thank you for your past service to the ***Department*** and I wish you success in your next position.

________________________________ ________________
Department Authority Date

________________________________ ________________
Employee's Acknowledgment of Receipt Date

cc: Gaston Reinoso, Associate VC/VP, Human Resources

IV. Preparing for and Conducting a Notification Meeting

A. *Pre-Meeting Preparation:*

- Informing an employee of a job loss may be a difficult and an unpleasant task; a successful outcome requires preparation and good instincts.

- Become thoroughly familiar with the RIF process and the content of the separation materials (amount of pay continuation available, forms, outplacement, etc.).

- Make arrangements to meet with the employee: travel, location, time. Advise the employee of the need to meet. Letters and/or e-mails are not an appropriate way to notify employees of this issue. If you cannot personally conduct the notification/exit meeting, you must arrange for another manager in your unit/department to do so.

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- Discuss with your Human Resources Business Partner any possible problems you believe could occur or any concerns you may have; arrange for another manager to be with you during the meeting, if appropriate.

- Anticipate questions that you could be asked and have answers readily available.

- Be aware that the release process may be emotional for all parties; prepare yourself for this by rehearsing the message you will deliver.

- Be prepared for "push backs," or unusual emotional reactions.

- Assess the impact this action may have on co-workers and customers and create a plan to absorb the impact seamlessly.

- Seek appropriate coaching from your Human Resources Business Partner.

B. The Notification Meeting:

The primary purpose of the notification meeting is twofold: (1) to inform the employee that his/her job has been eliminated effective today with 30 days pay and will be expected to work until the end of the 30 day notification and (2) to keep the person positive about the University.

C. Your Role is to Notify, Not Justify.

- The meeting should be private and uninterrupted
- Do no procrastinate – get directly to the point, announce the action calmly stick with the script (see below), control the meeting, and keep the person focused.

- Do not make any comments, even if well intended, that may compromise the action; stay away from discussions that could confuse the primary message, (i.e., the notification meeting is **not** about employee performance or personnel issues).

- Be direct and firm and ensure the person understands that the decision is final while also being empathetic to the person's situation.

- Do not blame others for the actions being taken.

- Do not become defensive, argumentative or confrontation –your role is not to justify the decision that has been made.

- Listen, document anything that could lead to a potential problem, and advise your manage and Human Resources immediately.

- Review and complete the required forms with the employee.

- Collect or make arrangements to collect ALL University property; advise the employee that access to voicemail, e-mail, computer systems with be discontinued.

- Offer support and encouragement; exit the employee in a dignified manner.

D. What problems may occur?

- The employee may: Become resistant, defensive and/or non-accepting of the action.
- Want to plead a case or bargain for another opportunity.

- Want to speak with a "decision-maker."

- Ask the "why me?" questions (see below).

- Threaten a lawsuit or other retaliation or make accusations of harassment or discrimination.

- Try to make the issue personal or about performance.

- Argue about an employee being retained who he/she believes is less capable, has less tenure, etc.

- Exhibit other types of emotion.

E. How to deal with the problems:

- Stay in control of the meeting and your emotions at all times; keep the discussion focused on your task.

- Let the employee know that he/she is free to make whatever contacts they believe appropriate.

- Reiterate that the decision is not about performance or about other employees.

The remainder of this Guide will discuss how to deal with other situations.

***F.* Post Release:**

- Notify your Human Resources Business Partner that the employee has been released; discuss any critical issues.

- Meet, with discretion, and inform team members about the actions that have taken place; understand that the remaining co-workers may have lost a friend and may have their own anxieties; get employee (re)focused quickly.

- Be honest about what you know and can share; discuss workload and/or support concerns/needs; focus on the positives.

- Do not assume " business as usual" acceptance

- Thank people for their continued support; restate the business objectives; make no promises or guarantee about the future (a good response is" the future may be up to us").

- Be accessible to your employees.

- Advise the appropriate customer about the action taken and how you will continue support.

- Never make any disparaging remarks about anyone leaving the University.

- Submit any employee expense reports immediately to expense accounting.

IV. The "Why" Questions

"Why are you requesting a meeting with me?"

When you inform the employee that you need to meet with him or her, you may be asked "why?" Don't lie. Awkward as it may feel, it is best to simply state that you will discuss in detail the purpose of the meeting at that time. If you feel compelled to tell the employee what action is to take place, consult with your HR Business Partner beforehand to discuss the situation.

"Why Me?"

The "why me?" question is a natural reactive question and has no answer that will be satisfactory to the person posing the question. A response should be only that "the decision was a difficult one." Some will press you to know who is being retained, as he/she will often want to compare him/herself and make a case for his/her retention. This too is not unusual, but you should tell the employee that this cannot be disclosed at this time.

Other Possible Questions

- Who made this decision?
- Who can I talk to get this decision changed?
- Are there any other jobs at the University?
- Can I keep my job if I take a pay cut?
- Who else is being released?

All these questions are normal, but you should not provide specific answers. The decisions as to who would be released and all other related decisions have been made, and the decisions are final. While anyone has the right to make contacts in order to find another position, the release will not be delayed.

V. Employee Package Content

- Personal Data Document –the RIF letter provided to the affected employee indicates the employee's dates of notification and release as well as the period of time that pay and benefits will be continued. The release date is 30 days after the notification date.

- Questions and Answers-the Benefits Question and Answer document below lists the most common concerns of affected employees pertaining to benefits, including last pay, COBRA Continuation Coverage, TRS/ORP or TDA Plans. Managers may choose to present these frequently asked questions to the affected employee as well.

Benefits Question and Answer (Q&A)

HEALTH COVERAGE

How long will my health benefit be available?

Health coverage is paid at the beginning of the month and effective through that month. In the event you have a termination date within a month, your health coverage will not end until the end of that month. [E.g. You have health insurance and are terminated on March 10th. Your health benefit is available to you through March 31st.]

If I gain employment with another State of Texas agency, what happens to my health coverage from UH?

If you obtain employment with any State of Texas agency, your health coverage can be transferred with no 90 day wait provided you have NO break in service.

What options do I have with reference to medical insurance once I lose my UH medical coverage?

You have the option of electing COBRA through the Employee's Retirement System of Texas (ERS). Upon termination, ERS is notified and will initiate informing you about your COBRA benefit. You MUST respond with 60 days of notification to elect the COBRA benefit which can be available for up to 18 months.

TRS RETIREMENT

I have funds in TRS. What happens to that money?

There are several options with your TRS Retirement money.

Option 1: If you have 5 years of contributions in TRS and have vested, you have the option of leaving the funds in TRS until you decide retire.

Option 2: In the event you do not have 5 years of contributions, you may take the funds you contributed out of TRS. Twenty percent (20%) will automatically be taken out and submitted for taxes. An additional 10% will be charged as a penalty for early withdrawal.

Option 3: You have the option of rolling your funds contributed into an IRA. In doing so, you will not be taxed nor penalized for this option.

ORP RETIREMENT

I have funds in ORP. What happens to that money?

In the event you have NOT vested in ORP (vesting: 1 year and 1 day) only the funds you contributed are available to you. You may roll the funds into an IRA or take them out with the 20% tax penalty and 10% early withdrawal penalty.
In the event you HAVE vested (1 year and 1 day), you then have access to the funds you contributed as well as your matching funds. If you opt to take the funds out, there will be applicable tax penalties.

SICK TIME

What happens to my sick leave when I leave?

An employee who is terminated because of RIF and who is re-employed by the University within 12 months shall have his/her sick leave balance restored.

Will I be paid for any accrued sick leave?

No, you will not be paid for accrued sick leave.

VACATION TIME

What happens to my vacation time?

All accrued vacation time at the time of termination will be paid to the employee within a month of termination after applicable taxes.

OTHER QUESTIONS

When should I expect my final paycheck?

An employee's final *check will be submitted to them along their same pay guidelines. [E.g. If the employee is a monthly employee, their last payroll check will be distributed the first of the following month. If the employee is a biweekly employee, their final payroll check will be distributed in the next biweekly paycheck cycle.]*

If I am hired before my last day (according to my RIF notification letter), what happens to my benefits?

Individuals hired back at UH or with another State of Texas agency will have their medical benefits continued or transferred to the new agency with no 90 day wait. If the employee has other optional benefits and is rehired at UH, there will be no change in their benefits because their benefits will continue with their hiring department. Depending upon where the employee transfers, they will need to reinstate those optional benefits with that State of Texas agency.

What happens to my Flexible Spending Account?

If you have a Flexible Spending Account (FSA), your benefit ends at the end of the month of your termination. That means you MUST spend the remaining balance of your FSA before the month ends or you will forfeit what has already been taken from your past paychecks. In the event you wish to have the opportunity to enjoy your FSA through the rest of the FSA period (ends November 15), you will have to pay the remaining balance of your pledge BEFORE you terminate. Please contact the Benefits Office to take advantage of this option.

If I qualify for retirement and opt to do so, may I continue my optional life insurance?

In the event you opt for retirement after a RIF, if you wish to continue your optional life insurance, you must make this election within 30 days of your last day of employment. There cannot be more than a 30 day lapse between termination and election of optional life insurance in retirement. You will have the option for 1 or 2 times your annual salary or you may elect a $10,000 optional life insurance policy IF you had optional life insurance at the time of termination. If you did not have optional life insurance at the time of termination, you may opt for a $10,000 optional life insurance policy only if you complete Evidence of Insurability (EOI) and are approved by Ft. Dearborn.

VI. Q&A for Managers

Q: What shall I tell my employees who ask me if there will be a RIF and/or if they will be targeted for RIF?
A: Be careful with your credibility and that of the University. You may need to make a judgment as to the potential risk and impact if you state the facts vs. being evasive without being dishonest.

Q: Can an employee who is being separated seek another job within the university? A: Yes. If the employee finds another position before the date of termination, the separation process can be stopped and the employee can be transferred or reinstated.

Q: Is the employee considered an employee during the 30 day notification period? A: Yes.

Q: How do I deal with an employee who is confrontational during the meeting?
A: While this is rare, it does happen. You can control the meeting by remaining calm and focused while allowing the person to "blow off steam." Give the employee time to refocus. If an employee continues to be confrontational, stop the meeting and have the employee leave.

Q: How do we handle calls for references after the action?
A: All calls or references should be directed to Human Resources, Records, 713-743- 5766. Please inform remaining staff that all reference calls or inquiries they receive must be directed to Human Resources.

Q: What if the employee does not want to complete the release process? A: Advise the employee that the materials are important to review; let him/her know that their pay and benefits continuation could be disrupted if the process is not completed; if an employee in adamant about leaving, do not detain him/her.

Q: What if I anticipate potential excessive/inappropriate action by the released employee?
Contact your Human Resources Business Partner if you anticipate any excessive/ inappropriate action. Your Human Resources Business Partner will review your concerns and identify ways to avoid and/or reduce excessive/inappropriate actions. If possible, please contact your Human Resources Business Partner prior to requesting the presence of the University Police Department

VII. Understanding Employee Reactions to Separation

Be prepared. As the manager, you must be calm and in control at all times. Upon being told of a job loss, people may react in very different ways and emotions can vary widely. It is difficult to predict how an individual will react, but you should always anticipate some level of emotion. Most reactions displayed are normal, such as surprise, feeling hurt and disappointment. Other reactions can be more intense, such as statements that they have been betrayed, wronged or even discriminated against.

As a manager, you may be challenged by some responses. To the extent possible, be patient, compassionate, understanding and, above all, remain in control. Do not be threatened or condone anger that is uncontrolled and do not allow yourself to become argumentative or confrontational.

Call for assistance and/or end the meeting if necessary.

VIII. Reactions to a Job Loss

Negative	**Neutral/Natural**	**Positive**
Threatening	Anger/Shock/Denial	Understanding
Hostility	Apprehension	Acceptance

Retaliatory	Downhearted	Relief
Abusive	Awkward	Hopeful
Vengeful/Attacking	Bargaining	Opportunity
Desperation	Avoiding	Resolute
Self Pity	Frustrated	
Manipulative	Discouraged	
	Concerned	
	Fear/Anxiety	
	Confused	
	Disappointed	
	Surprise	

IX. Notification Meeting Role Play

This is a suggested script for conducting an employee notification meeting. Rehearse your comments so that you can deliver the message without having to read the text. Practice speaking slowly, clearly and making direct eye contact; this will help ensure the message is received without confusion.

It is important that you be very direct and specific. There should be no doubt about the purpose of the meeting: (a) the job elimination, (b) the effective date and (c) the next steps to be taken. In most cases, this meeting should take no more than 20 to 30 minutes.

1) **Put the person at ease.** (No small talk; no humor; no business discussion.)

Manager: *Hi (employee name), please have a seat.*

2) **Set the stage.**

Manager: *As you probably know, there have been a number of announcements about changes being made within* the university.

Briefly pause.

3) **Notification.**

Speak slowly and calmly. As the "notifier", managers may feel that the notification itself takes forever, but it should take only about 15 seconds.

Manager: *(Name) as a state employer we have been asked to reduce our budget. As a result, senior management has made very difficult decisions regarding our organization. Some of the decisions that have been made directly affect our area. Due to the budget constraints, I must unfortunately inform you that your position, (Position) in the (Dept.) has been eliminated and we do not have another position in the (dept.) for you.*

Briefly Pause. *This decision was made after a long and careful review of many options, realizing that many of our employees would be affected. This has been a very difficult decision and was not easily made. I want you to know that this process has been reviewed at the highest levels of the university and the decision is final.*

Pause and listen.

Manager: *(Name), I know this is difficult news. Is everything I've said clear to you?*

Note: This is generally when the employee will ask the "why questions" or other questions that were previously noted in this guide. Go back and review the possible questions and responses.

After listening for a few minutes (do not let the employee go on at length), continue.

Manager: *I can appreciate your feelings and disappointment. We regret this action but it is necessary. What is probably most important at this point is for me to discuss your pay and benefit continuation plan that will help you in this transition period.* (Note: Areas with 3 or more employees affected simultaneously will have the support of an HR Business Partner to meet and discuss separation benefits after the manager meetings are held.)
This statement will help you focus on the action being taken and reiterate that the action being taken is final. Move to the discussion of the employee materials.

- Let the employee know that he/she is free to contact Human Resources if he/she has any questions after receiving the materials.

- Once you determine the most appropriate manner for the employee to depart, provide your support and encouragement and thank the employee for his/her courtesy.

If you need further assistance before or after the notification meeting, please contact the appropriate person in the Human Resources Department.

X. Human Resources Contact Information

HR Business Partners/Employee Relations

LaTasha Stoker, Sr. Human Resources Business Partner; 713-743- 1109

Alicia Colbert, Sr. Human Resources Business Partner; 713-743-7691

Rida Tayyeb, Sr. Human Resources Business Partner; 713-743-0918

Benefits

Deanna Holmes, Sr. Benefits Analyst; 713-743-3689

Jennifer Schaudt, Benefits Analyst 2; 713-743-5522

HR Administration

Gaston Reinoso, Associate VC/VP, Human Resources; 713-743-2603

Connie Kemp, Executive Director, Human Resources Services; 713-743-5703

Sandra Armstrong, Executive Director, Human Resources Operations; 713-743-1962

Carlos Luis, Director, Human Resources Services; 713-743-6230

Nikki Duncan, Director, Talent Acquisition & Management; 713-743-7278

Malka Kirshner, Director, Human Resources Operations; 713-743-7093