

# Culture *in* *the* Balance

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Leading Through Layoffs **Without Losing Trust**

# Introduction

Organizations shape their corporate cultures to reflect and reinforce their external brand. However, they often fail to carry that culture through in critical moments of the employee experience, leading to lasting consequences. One such moment is **layoffs**.

Layoffs are a common response to economic downturns, but they can deeply impact corporate culture and image. How companies manage these moments—and what follows—can affect their ability to recover. To minimize harm, leaders must treat the layoff process as a reflection of their culture. That means taking deliberate steps to support both laid-off employees and those who remain, whose morale and performance are key to long-term success.

To further understand the ramifications of layoffs—and where companies can reduce reputational risks—INTOO partnered with independent research firm Workplace Intelligence to survey 2,200 global employees and HR leaders about the challenges they face before, during, and after layoffs.

We found that layoff fear is both high and justifiable. HR recognizes that this fear, along with poorly handled workforce cuts, can erode culture. The result: companies have more difficulty retaining their culture, brand, and reputation at a time when avoidable missteps are not an option.

To mitigate the negative impact of layoffs and preserve their culture and brand integrity, organizations must prioritize transparency and fairness in the layoff process. By clearly communicating the reasons behind workforce reductions and offering meaningful support—such as outplacement services—to those affected, companies not only uphold their values but also demonstrate compassion and accountability.

Just as importantly, showing remaining employees that their colleagues were treated with dignity and care can help rebuild trust, boost morale, and reinforce a sense of stability. Ultimately, a humane and values-aligned approach to layoffs strengthens an organization's reputation and positions it for long-term resilience.

# Key Findings



## Layoff Fear and Preparedness

- 53%** of employees are worried about getting laid off in the next 12 months.
- 91%** say they aren't prepared to look for a new job and would need support.
- 58%** of HR leaders admit their company doesn't provide enough support to employees during layoffs.



## Empathy and Fairness Regarding Layoffs

- 60%** of employees feel their leaders lack empathy towards workers who get laid off.
- 54%** don't trust their company's leadership team to handle layoffs compassionately and ethically.
- 77%** of HR leaders say their company strives to be exceedingly fair during layoffs, but **33%** of employees say their employer did as little as possible to ensure fairness.



## Layoffs' Impact on Remaining Employees

- 80%** of employees say companies underestimate the impact layoffs have on their remaining workforce.
- 71%** would begin job hunting immediately after a layoff, even if they were spared.
- 62%** of employees say they lost trust in their employer following layoffs.



## Brand Reputation and Backlash

- 1 in 5** Almost 1 in 5 employees—and around 1 in 4 Gen Z employees—would complain online if they were let go.
- 1/2** Almost half of companies have experienced retaliation on social media after layoffs.
- 71%** of employees would never again work for the company that laid them off.

# Layoff Fear and Expectations:

## Why Employees Worry, and What HR Anticipates

Across the globe, **53% of employees are afraid they'll be laid off within the next 12 months**. Employees in Argentina are by far the most concerned about layoffs, followed by workers in Brazil.

Most of these employees say their concerns stem from fear of a pending recession (45%), news about layoffs at other companies (27%), or recent layoffs at their own organization (23%). A few are worried that AI might replace their job (17%).

Overall, these concerns are warranted, **with 57% of HR leaders reporting that their company is likely to have layoffs within the next 12 months**. More than a third (35%) say their company would lay off employees if faced with an economic downturn.

Employees' experience with past layoffs also influences their fear: almost half (47%) have been personally laid off, and 59% have seen their coworkers be laid off. These employees are 1.5 times more likely to be worried about getting laid off in the near future, compared to those who don't have any personal layoff experiences.

But what are companies doing to quell this fear? And if layoffs are on the horizon, are leaders ensuring employees will be treated in alignment with their organization's ethos?



# Culture Under Pressure:

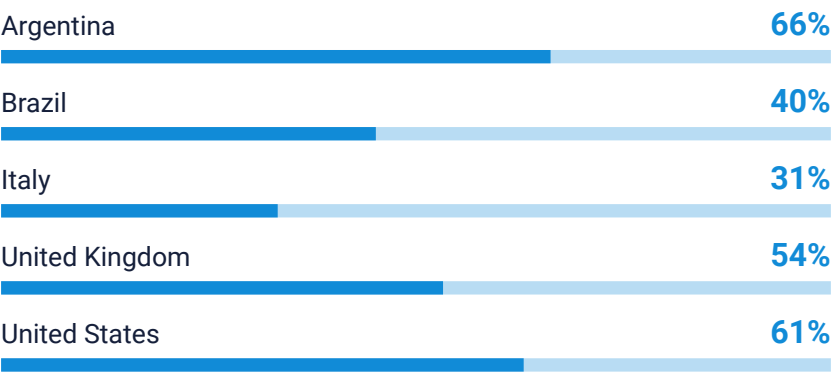
## The Internal Fallout of Layoffs

When an employee-focused culture is suddenly shaken by layoffs, employees can feel blindsided and may begin to question whether that culture was genuine. The result is often a deep sense of mistrust, especially when many already believe they wouldn't be supported if they were the ones affected.

How might employees fare after a layoff without proper support?

- 60%** think it would take them a long time to find a new job;
- 91%** say they wouldn't be prepared to look for a new job and would need support; and
- 54%** could only support themselves and their family for three months, with workers in Argentina and the U.S. notably being the most likely to report that they'd struggle with having enough savings on hand if they were laid off.

### Here's how this looks by country:



If they were laid off, most employees say they **aren't very prepared** when it comes to...

- Their financial situation **93%**
- Their professional network **91%**
- Their skillset **80%**
- Their ability to apply for jobs **75%**



**82%**

of employees say most employers don't care if laid-off employees get another job.

## When the decision is made to have layoffs, what's fair? **That depends on who you ask.**

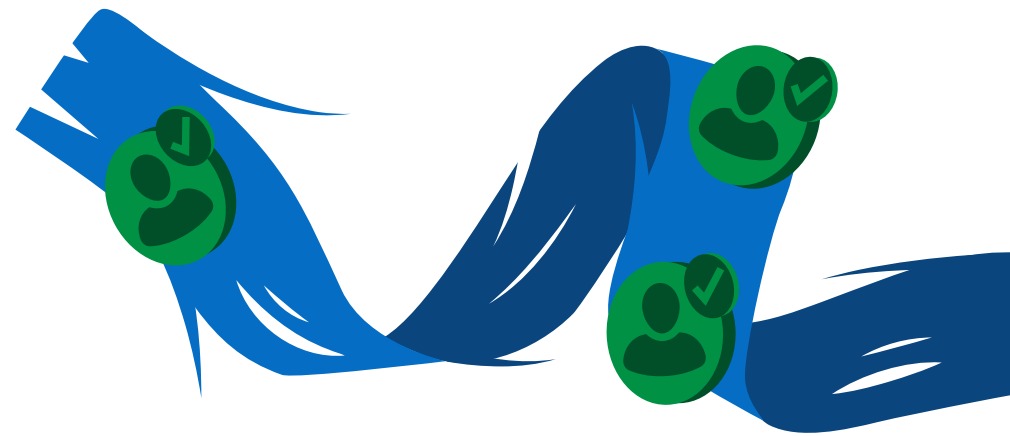
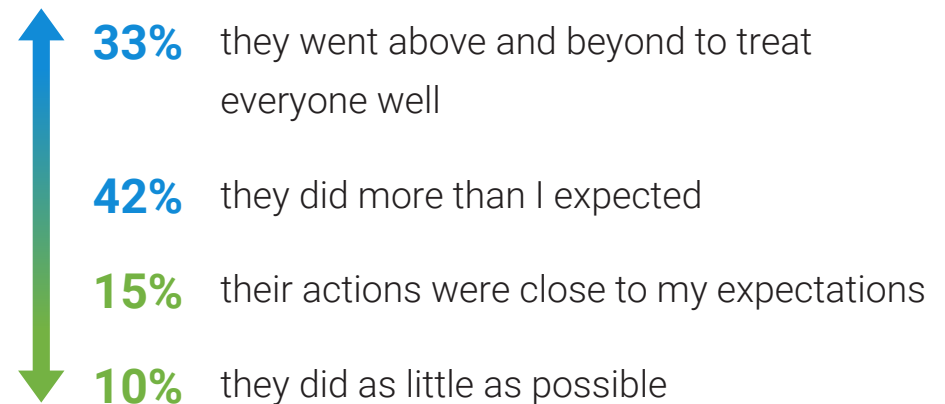
As organizations navigate layoffs and work to rebuild or maintain their reputation, demonstrating empathy, compassion, and transparency can be critical to their success. However, employees don't have high expectations of their company's leaders when it comes to these factors.

**More than half (54%) don't trust their company's leadership** team to handle layoffs compassionately and ethically, and 6 out of 10 feel their leaders lack empathy toward employees who are being laid off. A lack of transparency is also an issue, cited by 53% of employees.

In fact, of those who have experienced layoffs—either personally or by surviving cuts—**33% say their company did as little as possible** to support those who were affected. This number is remarkably similar across the five countries we surveyed, revealing that frustrations with layoffs are universal.

Meanwhile, 77% of HR leaders say their company strives to be exceedingly fair during layoffs, highlighting a stark disconnect in how these practices are perceived. That gap can significantly impact morale and damage the organization's reputation, and it's one that leaders should work to address.

### **Few workers say their company's process during layoffs was fair or exceeded their expectations**



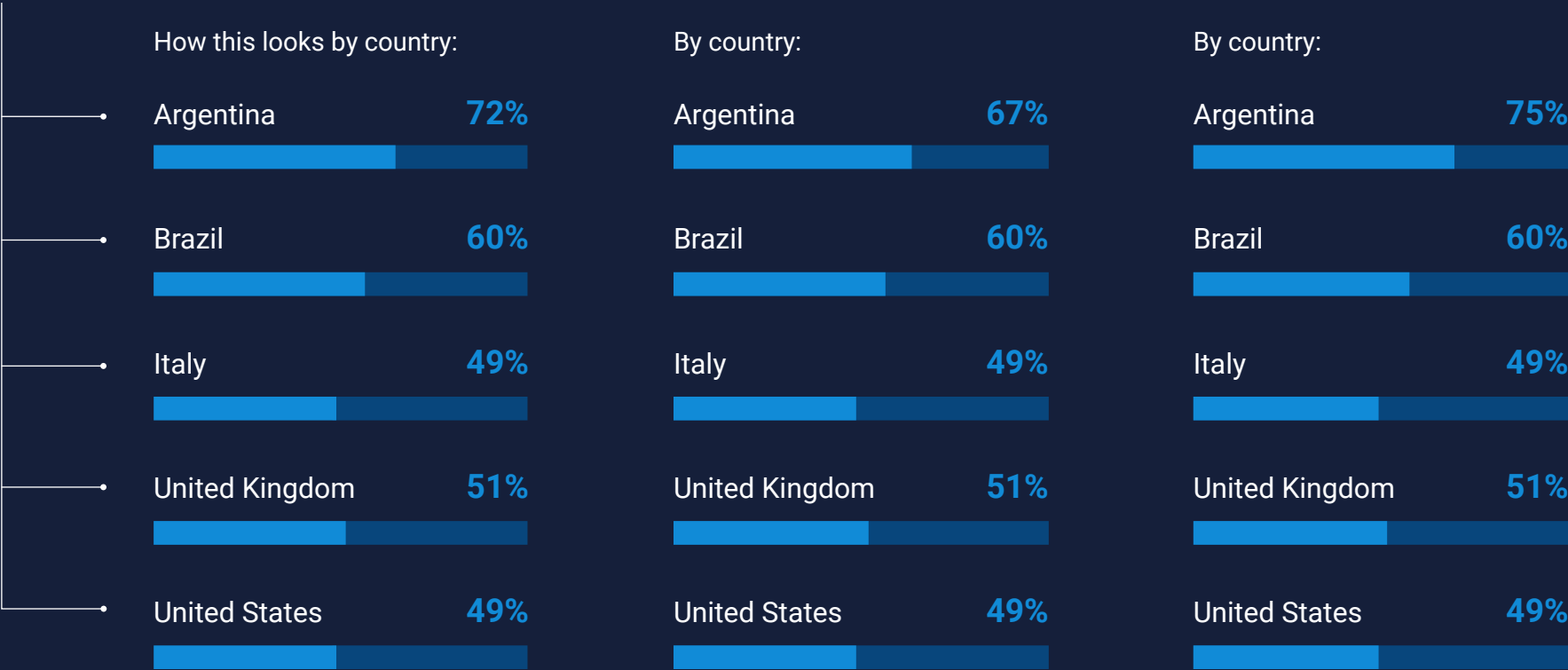
Workers in Argentina and Brazil were the most likely to report **negative sentiments about their employer's ability to do layoffs the right way.**



Globally, **54%** don't trust their leaders to handle layoffs compassionately and ethically.

**53%** say their employer isn't very transparent regarding layoffs.

**60%** feel their leaders lack empathy towards laid-off employees.



# HR wants to do layoffs right, but lacks the support

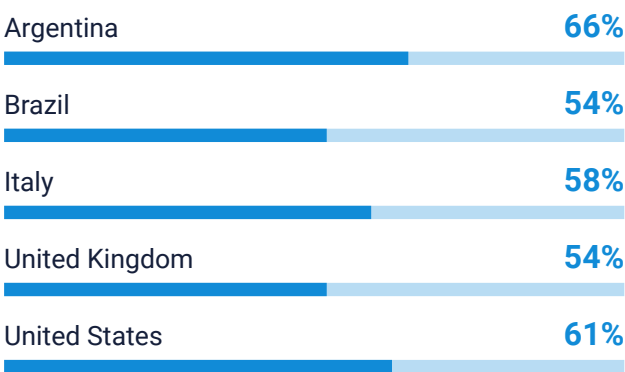
Most employees who were laid off expected more from their employers—78% said their company didn’t do enough to support them during the layoff process, and 80% described this as one of the worst experiences of their lives. For many, it also brought enormous financial stress. This suggests that while companies may prioritize engagement and retention in good times, those efforts can quickly unravel when layoffs take place.

Companies invest significant time and resources into building employee loyalty, engagement, and brand advocacy. But when layoffs aren’t handled with care, it sends a clear message: loyalty isn’t mutual. That disconnect can erase hard-earned trust and do lasting harm to the employer brand, as both current and future talent take notice.

However, layoffs present a unique set of challenges for HR teams, who are often the culture ambassadors for their organizations. One issue is that customs and regulations surrounding layoffs vary globally—and they often don’t provide enough protections for workers.

In fact, 59% of HR leaders report that local or national labor laws are not sufficient in supporting employees through layoffs.

How this looks by country:



## HR Says...

Many HR leaders are taking their own steps to ensure an ethical and fair approach to labor cuts. For example, they report considering a variety of factors during layoffs:

Employee performance	60%
Employee role or responsibilities	44%
Financial impact or cost-savings	38%
Tenure or seniority	33%

## HR leaders face numerous challenges when planning and executing layoffs:

Maintaining morale and motivation for remaining employees	41%
Deciding which individuals or teams to lay off	39%
Providing adequate support to laid-off employees	34%
Attracting and retaining talent	27%
Navigating labor laws and union agreements	24%
Communicating externally and safeguarding company reputation	24%



## After layoffs, leadership moves on— but employees are still dealing with the consequences

The burden of rebuilding after a layoff falls on those who remain. Yet, employers often overlook the toll it takes, which can diminish productivity, decrease performance, and escalate attrition, heightening organizational risk.

Here's how that impact plays out among employees:

### Retention

**71%**—including **82%** of Gen Z—would begin job hunting immediately after a layoff, even if they weren't affected.

### Productivity

**44%** report that their productivity was negatively affected by layoffs.

### Engagement

Nearly **1 in 6** admit to quiet quitting—intentionally limiting the effort they put into their work—after layoffs.

Employees' stress is compounded by the fact that many believe layoffs would result in increased workloads for those who remain. This belief is justified, as more than half (**51%**) of employees say that if they were laid off, their remaining coworkers would have to pick up their tasks.

### Employer brand

**62%** say they lost trust in their employer after layoffs.

### Burnout

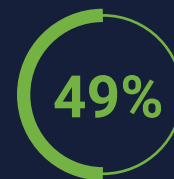
**27%** would try harder to prove their value if their company had layoffs.



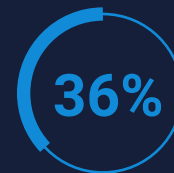
**80%**

of employees say companies underestimate the impact layoffs have on their remaining workforce.

Meanwhile, HR leaders have a much different perspective on how remaining employees would respond after layoffs.



believe the remaining employees would refocus and work harder to prove their value following a layoff.



think employees would look for another job.

Neglecting to address these impacts on remaining employees can have devastating results, as discussed in the following pages.

# Reputational Risk:

## How Cultural Erosion Undermines Employer Brand

Regardless of the size of the layoff, it can have a profound impact on a company's reputation:

- 71%** of employees say they would never again work for the company that laid them off.
- 51%** After they were laid off, **51%** of employees—but an alarming **70%** of Gen Z—took action that could impact their former employer's reputation, such as telling friends and family not to work for that company, leaving negative reviews, or complaining on social media.

**And it's not just those who are laid off who are a risk. As mentioned earlier, 62% of employees who survived layoffs say the event caused them to lose trust in their employer.**

## Social media raises the stakes

**65%** of HR leaders are concerned that laid-off employees will complain online.

They're right to be worried: **Almost 1 in 5** employees—and **1 in 4** Gen Z employees—would complain online if they were let go. In fact, about half of companies (**49%**) have actually experienced this retaliation, including on LinkedIn, TikTok, Facebook, Glassdoor, Reddit, and other platforms.



**58%**

of HR leaders believe their organizations could be doing more to prevent online retaliation.

Relatively few companies are taking steps to safeguard against employee retaliation during the layoff process, according to HR leaders. For example, less than half are focused on improving their communication and transparency, supporting remaining employees, creating a fairer selection process, and providing greater benefits to those laid off.

**Actions companies are taking to reduce the risk of employee retaliation after layoffs**



**Impact by the numbers:**



In a layoff of this size...

50  
100  
1,000



this many are likely to post a complaint about their employer

10  
20  
200

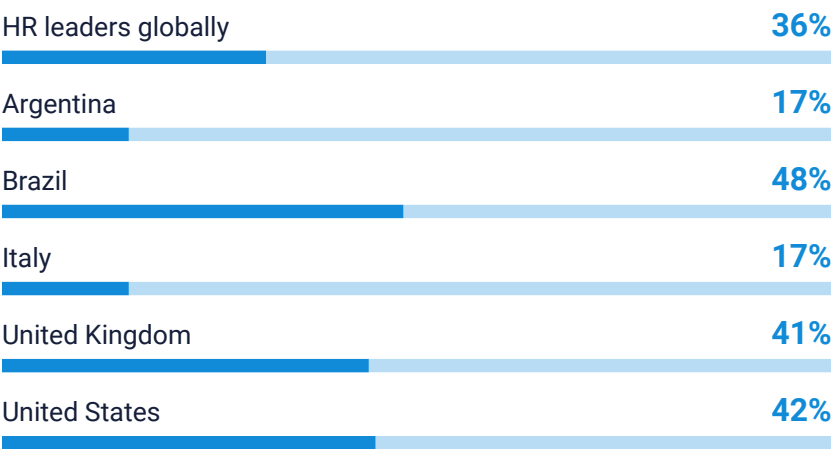
# A Better Exit: Protecting Culture and Reputation Through Supportive Transitions

Offering outplacement services demonstrates a **commitment to people and protects reputation through change.**

The vast majority of respondents—88% of HR leaders and 86% of employees—believe outplacement services should be offered to laid-off employees. An even higher number of leaders and employees say these programs are valuable (94% and 87%, respectively).

However, while the perceived value is high across employees in all of the countries we surveyed, workers in some regions are more likely to have access to these services than others. Globally, only around a third of HR leaders say their company includes outplacement services as part of its layoff package. But in Brazil, that number jumps to 48%, and more than 4 out of 10 companies in the U.S. and the UK offer these services.

## Here’s the breakdown:



58%

of HR leaders admit their company doesn’t provide enough support to employees during layoffs.

## Employees can feel lost when they're laid off

While the stress of layoffs can overwhelm impacted employees, support to find new work can help them move on from the layoff experience and reduce ill will toward their former employer, especially when the employer has assisted them in this process.

This support is much needed, as more than half of employees (51%) say in the event of a layoff they would need a lot of help getting ready to look for a job again, and 42% say they don't know who they would ask for help with their resume/CV and other job-seeking necessities.

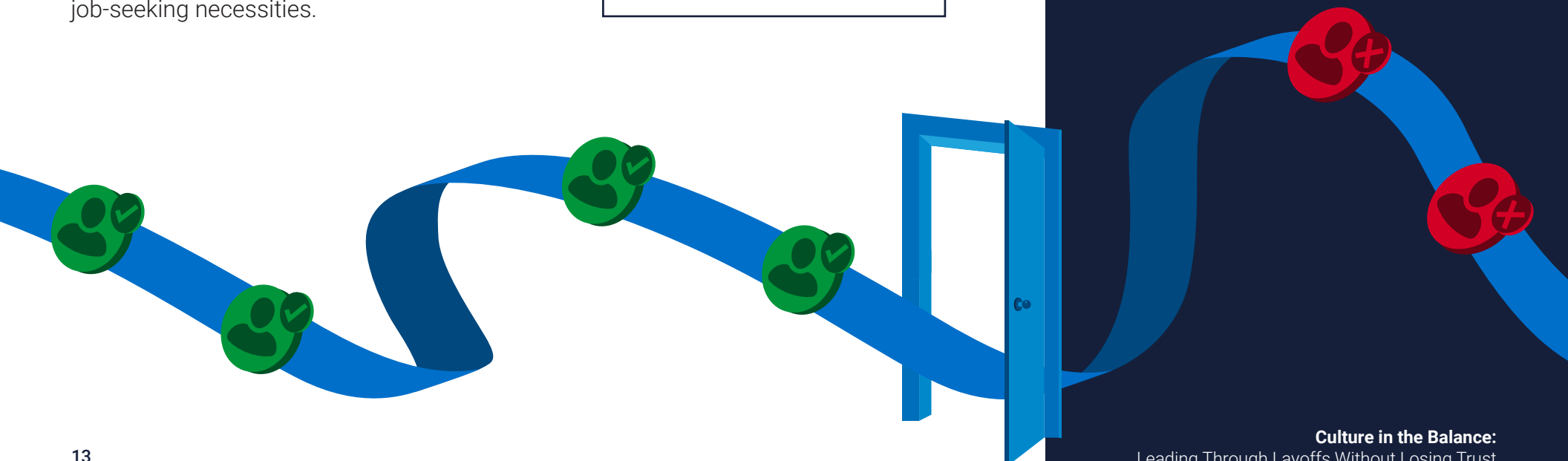
88%

of employees say companies that offer outplacement services care more about their employees.



Components of outplacement services that **employees would find most helpful**:

1. Personal branding assistance (resume/CV, social media profile, and cover letter review)
2. Interview practice
3. Personalized coaching, including emotional support and stress management
4. Financial planning resources
5. Career workshops and webinars
6. Entrepreneurship or retirement support



# Support Only Matters if It's Seen:

## Why Communication Makes or Breaks Outplacement

Too often, laid-off employees receive little to no information about outplacement services, while those surviving the layoffs are unaware that their colleagues have been offered support. In both cases, companies lose out on the benefits outplacement offers.



When employers don't clearly communicate how they're supporting employees affected by layoffs, they unintentionally diminish the impact of their own well-meaning efforts.

Only **18%** of employees are aware of outplacement programs offered by their employer. For employers who do offer these services, there's a clear opportunity to improve communication about their availability and benefits.

## Communicating support can reinforce culture, even amidst layoffs

These sample scripts can help HR teams ensure that their supportive culture extends to all members of their workforce during times of transition.

### Equip HR leaders and managers with a meaningful offer of support



**Say:** "We're going to support you. Here are materials about a program that will help you find new work by guiding you to develop your personal branding, resume, and pitch statement, find positions that align with your strengths and interests, practice for interviews, and negotiate offers."

**What this achieves:** This introduction to the service lets employees know they're not being left to fend for themselves.

*"I worked in a manufacturing facility where some of our employees had been there since they were 18. They were maybe in their thirties or forties when they got laid off, and they hadn't interviewed since they were 18 and had never created a resume. It was so comforting to be able to say to them, don't worry; we're not dropping you into the deep end of the pool. We're going to give you some support."*

**Christina Myers**

Executive Director HR, Employee Relations & Compliance, Vericast

## Let remaining employees know you're supporting their colleagues



**Say:** "We understand this is a difficult time for everyone, and many of you care deeply about those affected. Please know we've equipped them with personalized career support to help them find fulfilling new roles as quickly and confidently as possible."

**What this achieves:** Remaining employees' trust in their employer increases when they learn the company has exceeded their expectations in supporting their laid-off coworkers. This helps to maintain morale.

### Christina's perspective

*"You're about to change their life. You're taking their job from them. And they're sitting there thinking, how do I go home and tell my partner, my spouse...what am I going to say to my kids when I'm not getting up to go to work tomorrow? Always remember that very human piece."*

## Help laid-off employees leave feeling supported



**Say:** "This layoff was necessary and is not a reflection of your contributions to the organization. We want to support you and hope that you'll still reflect fondly on your experiences working with us."

**What this achieves:** With quality support, employees leave with a positive impression of their former employer, which they might even share online, helping the organization preserve its brand in the aftermath of layoffs.

## Emphasize the value of unlimited coaching



**Say:** "The services we're offering include unlimited hours of personalized career coaching seven days a week. This means that whether you have a minor question or need a couple of hours to practice for an upcoming interview, you'll have the support you need—when you need it."

**What this achieves:** Even though **51%** of employees say they would need considerable help preparing for a job search, just **1 in 3** understand the value of personalized coaching. Clarifying the role of the coach makes them more likely to take advantage of the support available.

### Christina's perspective

*"Sometimes the employee will stop and say, what do I tell people? Do I tell people I got fired? The really nice thing to be able to say is we have an outplacement service, and they are going to coach you through having those conversations."*

### Christina's perspective

*"Having a clear and fair strategy can make a really big difference in how the employee experiences their departure."*

**Christina Myers** is the Executive Director of Human Resources, Employee Relationships and Compliance at Vericast. Christina is an experienced HR leader with deep expertise in talent strategy, employee experience, and navigating workforce transitions. She's been instrumental in leading separation processes with care and structure, ensuring that organizations maintain their employer brand while supporting employees through change.

# Conclusion

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## Thoughtful layoffs lay the foundation for **organizational resilience**

### **A culture that supports its people, even as they exit, creates a stronger future.**

Layoffs, if mismanaged, pose serious risks to an employer's reputation and culture. While employees and HR leaders alike are aligned on the elements that would create a more fair and compassionate process, this research reveals a troubling discrepancy between cultural expectations and reality, as well as between HR's intentions and leadership's support.

A lack of care and communication during layoffs opens the door to reputational and operational risk: social media backlash, eroded morale among remaining staff, and a weakened employer brand, all of which undermine business performance at a critical moment.

To mitigate this damage, leaders must approach layoffs with empathy, messaging, and fairness representative of their brand values. When companies communicate with care and provide meaningful resources, such as high-quality outplacement services, they're not only supporting those who leave—they're also safeguarding the culture and brand that are crucial to future success and long-term employee engagement.





## Methodology

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Research findings are based on a survey conducted by INTOO and Workplace Intelligence between March 18 and April 3, 2025. In total, 2,200 global employees between the ages of 21 – 67 completed the survey. This included 1,100 employees and 1,100 HR leaders.

The survey sampled employees from all generations, and an even mix of male and female respondents across both audiences.

### Countries:

- Argentina
- Brazil
- Italy
- United Kingdom
- United States

## About Workplace Intelligence

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Workplace Intelligence is an award-winning thought leadership and research agency focused on the world of work. We help companies and their executives tell their workplace story in a meaningful, relevant, and impactful way using primary data, insights, and interviews. For more information, go to our [website](#) and subscribe to our [Insider newsletter](#).

## About INTOO

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