

Layoff Gossip: How It Helps, Hurts

The Office Rumor Mill Can Be Deadly but Occasionally Is Helpful

By MICHELLE GOODMAN

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Like so many Americans, Sherri, an events and marketing coordinator at a university, heard through the office rumor mill in December that her employer planned to make significant budget cuts in 2009.

In January, Sherri's department got the official word that it would need to slash spending by 20 percent. For weeks, speculation over which programs and positions would be nixed -- and when -- swirled around the department. By the time she received word in mid-February that her state-funded position was one of 12 the department planned to cut, Sherri was hardly surprised.

"The gossip helped me prepare," Sherri said. "I'm a single mother of two and I don't get child support. So I don't really have an option to sit back and do nothing."

As Sherri finishes her final month on the job, she's fine-tuning plans to go into business for herself. Thanks to the rumor mill, she may already have found her first few clients: Several colleagues have offered to hire her once she hangs her own shingle.

Besides helping her prepare from a financial standpoint, the layoff grapevine helped Sherri emotionally prepare for her job loss.

"Had I not known there was a chance I could be laid off, I may not have handled the conversation about my job ending as well as I did," she said.

(Sherri, like everyone else interviewed for this story, declined to give her real name for fear of repercussions from her current employer.)

"People do better with anticipated shocks to their system than they do with surprises," layoffs included, said Steve Crimando, managing director of XBRM, a behavioral sciences consulting firm in New York that helps employers deal with crisis management.

Gossiping about potential layoffs also gives anxious employees a way to vent about their fears and frustrations -- and even bond over them.

"The upside is people get to blow off steam and talk about layoffs in an informal way that maybe is not sanctioned in the office," Crimando said. "There's a sense that you're not in it alone."

Of course, sometimes all this water cooler speculation does more harm than good.

Too Much Information?

Giselle, a counselor at a government agency, has been fretting for weeks over the rumors floating around her organization. According to a coworker who spoke with a supervisor in the know, 20 percent of all staff will be pink-slipped by the end of the year.

"I wish I didn't know this. Knowing that something bad will happen but [having] no information on when or to whom really puts you on high alert," she said. "Whenever an office door closes with more than one person [in the room], I worry."

The fact that her coworkers are also concerned has done little to ease Giselle's mind. Ditto for the fact that she just joined the agency four months ago and is the newest addition to the team.

"A friend says that people will stop making eye contact when they know you're the one getting let go," Giselle said. "So now I scrutinize everybody to see if they are really looking at me as I walk up and down the hall -- especially the boss. It's exhausting."

Sarah, a graphic designer at a four-person consulting firm, also wishes she didn't know quite so much about her company's fate.

While she's glad her boss recently told her behind closed doors that sales are down 20 percent and that everyone would soon receive a 20 percent pay cut, she could do without the other tidbit her boss made her privy to.

"I know my coworker is probably going to be laid off at some point in the near future, but I'm sworn to secrecy," Sarah said. "I feel super-guilty over the fact that I can't tell him. I've thought about doing it anyway. But I don't want to freak him out and then have them not lay him off."

Ignorance Is Not Always Bliss

On the flip side, many employees say they wish their company would offer more details about impending layoffs, not less.

Take Lauren, who works in the newsroom of a daily metropolitan newspaper. At the start of the year, her employer told staff to expect layoffs in the spring, but they didn't give any specific dates. In the meantime, Lauren and her colleagues cling to the swirling rumors about who, what, where, when and how.

"Basically, they left everybody hanging, which I think is just the worst way to do a layoff," Lauren said. "This place is like a tomb. Everybody's basically sitting here waiting for the angel of death to come. I would rather that [the company] just get it over with and be very cut and dried about it."

"Uncertainty is what's going to erode morale more than anything else in an organization," said Crimando. "The science here says that telling people bad news sooner is better."

Likewise, he said, corporate transparency always trumps secrecy.

Freelancers Fall Prey to the Rumor Mill, Too

The self-employed aren't immune to falling down the rabbit hole of budget-cut rumors either. Ruth, a freelance journalist who has a steady gig with a media outfit that's currently up for sale, falls in this camp.

"I get obsessed with the gossip to the point that I become unproductive," Ruth said via e-mail. "Instead of pursuing the work I have, I'm chasing down the latest choice tidbit on whether this other business is going to close. I'm on the phone with colleagues, I'm reading all the blogs, tuning in to the TV, to Twitter, you name it. It's probably all a waste of time, but hope springs eternal and all that."

This is where the experts advise us to unplug our modems, get off the gossip train and breathe into a paper bag.

It's one thing to prepare yourself as needed: checking your finances, dusting off your resume and shoring up your personal and professional networks.

After all, "A lot of the gossip is going to be accurate," said Laurence Stybel, president of Stybel Peabody Lincolnshire, a senior level career management consulting firm in Boston.

But it's a bad idea to let yourself get so consumed with the latest layoff rumblings that you can barely focus on your work, said Stybel, who's also executive in residence at the Sawyer School of Business at Boston's Suffolk University.

"Office gossip and much of the news in the media and in the newspapers are variations of the following theme: there are big events you have no control over that could destroy your standard of living and your immediate future," he said.

"If I'm listening to the office gossip and all it's doing is making me sleepless, why am I still listening to it?"

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