Management Resource Guide
Delivering difficult messages to those affected by a Payroll Reduction Measure

University of Missouri System
COLUMBIA | KANSAS CITY | ROLLA | ST. LOUIS
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Preface

This guide presents a summary of information drawn from University policies and procedures and the HR-710 COVID-19 Payroll Reduction Measures for Administrative, Service and Support Employees policy and is designed as a resource for supervisors and managers in supporting employees affected by Payroll Reduction Measures including short-term or long-term furlough. The University reserves the right to add, amend or rescind any aspect of this guide at any time and for any reason. This guide is a reference resource only. Applicable Human Resources (HR) policies, Collected Rules and Regulations (CRR), and benefit Summary Plan Documents are the source documents of authority and control. If there is a conflict between the language in this guide and the language in any of the source documents, the language in the source documents apply. This guide does not create any contractual rights or alter at-will employment status.

Effective date

The effective date of this guide is April 22, 2020.

This guide is provided for employees whose Payroll Reduction is effective on or after the implementation of HR-710.
Introduction
As a supervisor or manager, you are keenly aware of the stress, confusion and questions your employees’ experience when news of a potential Payroll Reduction Measure, including short-term or long-term furloughs or layoff begins to circulate. During and after Payroll Reduction Measures, colleagues often wonder how responsibilities and workload will change.

This guide aims to support you as you lead your team through this process. It is focused on supervisors and managers (referred to only as “supervisors” in the remainder of this guide for brevity’s sake). A separate guide is available for employees, titled Employee Resource Guide: Information for those affected by a Payroll Reduction Measure.

Note: If you have a printed version of this guide, please refer to the footnotes at the bottom of each page which lists the full URL for each hyperlink in the text.
Helping Your Team through a Payroll Reduction Measure

1. Define the Reasons for a Departmental Change

Carefully consider the guiding principles (the University’s mission, sensitivity to employees, and equity) and the department’s challenges as you think about Payroll Reduction Measures. Be aware that supervisors often have more information to understand the necessities for taking measures to reduce payroll expenditures, but your employees may not have the same scope of information.

In preparation for your conversations, document your considerations and be ready to be as transparent as possible. Read through HR-710 COVID-19 Payroll Reduction Measures for administrative, service and support and student employees for detailed options. Then answer these questions:

- **Why is the Payroll Reduction necessary? What is the business reason?**
  Examples: cuts in funding, a poor financial forecast, or severe financial challenges for the foreseeable future.

- **Which Payroll Reduction option will achieve the necessary fiscal and operational outcome while limiting impacts on employees?**
  You have several options for helping you achieve a reduction in payroll, as noted here:

<table>
<thead>
<tr>
<th>Action</th>
<th>Fiscal Effect</th>
<th>Operational Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary Pay Rate Reduction</td>
<td>Short to medium term reduction</td>
<td>No staffing reduction</td>
</tr>
<tr>
<td>Temporary FTE Reduction</td>
<td>Short to medium term reduction</td>
<td>Temporary reduced staffing</td>
</tr>
<tr>
<td>Short-Term Furlough</td>
<td>Short term reduction</td>
<td>Temporary reduced staffing</td>
</tr>
<tr>
<td>Long-Term Furlough</td>
<td>Medium to long term reduction</td>
<td>Temporary reduced staffing</td>
</tr>
<tr>
<td>Seasonal Leave of Absence</td>
<td>Short to medium term reduction</td>
<td>Fixed-term suspended staffing</td>
</tr>
<tr>
<td>Excused Absence without Pay</td>
<td>Limited short-term reduction</td>
<td>Minimal reduced staffing</td>
</tr>
<tr>
<td>Layoff and Transition Assistance</td>
<td>Long term reduction</td>
<td>Long term reduced staffing</td>
</tr>
<tr>
<td>Termination</td>
<td>Short- and long-term reduction</td>
<td>Long term reduced staffing</td>
</tr>
</tbody>
</table>

Examples: short-term furlough of one-week, long-term furlough of up to twelve weeks, every employee reducing their FTE for a period of time, or employees voluntarily or mandatorily taking a temporary pay cut for a short period of time.

2. Contact campus Office of Human Resources

Before you proceed with your Payroll Reduction Measures, contact your campus, MU Health Care or system human resources office. They will work with you and provide support throughout the process.

3. Identify employees who will realize a Payroll Reduction Measure

If the goals and business reasons you have identified lead you to conclude that some type of reduction is necessary, employees should be chosen for payroll reduction on an equitable basis to similarly situated employees. Relevant factors in making these choices should be mission-
related, including but not limited to workload and financial needs of the university or department and employees’ abilities, skills, training, and other relevant qualifications. Although in some instance's actions will apply to individual employees, payroll reductions should not be used to single out employees for reasons that are not relevant to mission-related cost reductions.

You should document fair and objective criteria you will use to make payroll reduction decisions. The business reasons you have already deliberated upon should help; as well as information about the employees you supervise. Ask your campus human resources office for help, and work through these questions to assist in your planning:

- **What employees have the skills, knowledge, and abilities that are necessary to meet the department's goals?**
  
  Try to minimize disruption to the organization by identifying the work that needs to be accomplished overall and which positions will allow you to meet that objective.

- **Should performance be a factor in decision making?**
  
  Employees’ demonstrated ability to help the department achieve its goals may be used to distinguish between otherwise similarly situated employees in making payroll reduction decisions. Supervisors should be prepared to support their decisions with evidence of employee performance.

- **How should disciplinary actions factor in the decision making?**
  
  An employee’s official disciplinary record may be considered in making payroll reduction decisions, but the purpose of a payroll reduction is to achieve fiscal and operational outcomes, not impose additional discipline.

- **Is the employee in a union-eligible position, covered by Understanding of Policies local 773 or Local 148?**
  
  Consult your human resource office to assist in the review of union agreements and to manage process selection in alignment with approved agreements.

4. **Review the Employee Resource Guide for those Affected by a Payroll Reduction Measure**

Reading through this guide prior to meeting with employees will help you understand what the policies and benefits are, as well as typical questions they may have. When receiving questions from employees that you cannot answer, please refer to the resource guides or HR-710 policy and Q&A. Please also refer employee questions to your campus, MU Health Care, or system human resources representatives.

5. **Submit Payroll Reduction Measure through Approval Process**

You or an appropriate designee for your department will enter the specific employee(s) Payroll Reduction Measure information into [Cherwell](#) for review and adverse impact analysis. Once approved you will receive a notification of approval via Cherwell.

6. **Prepare the Notification Letter**

You will receive an electronic copy of the approved template letter from campus, MU Health Care or system human resources office. This template letter has been approved in advance from the Office of General Counsel. Complete the letter by placing it on your department/institution letterhead, identifying the Payroll Reduction Measure, adding appropriate information, and making any non-material modifications.
7. Prepare a communication plan including notification timeline for employee(s)
Preparing a communication plan is important for both the employee(s) being notified of the Payroll Reduction Measure, as well as the remaining employees. A communication plan includes talking points, draft email correspondence (if needed), and a prioritized timeline of key stakeholders who will be notified.

The goals of a communication plan include providing support to employees such as:

- ensuring the employees affected by payroll reduction measures retain their dignity
- provide as much advance notice as possible and in advance of the pay period in which the reduction will occur
- provide information on support and resources such as Employee Assistance Program (EAP) and Employee Guides
- provide a consistent and positive message to all employees to keep morale and productivity high
- clarify the reasons to all employees for necessary Payroll Reduction Measures

8. Have a Personal Meeting with Each Employee
Have a personal meeting with each employee that is affected by a Payroll Reduction Measure. Be patient and understanding. Prepare for the meeting. A successful meeting is one in which the employee feels treated with compassion, dignity, and sensitivity. To help with your meeting’s success, answer these questions:

- **When should I schedule the meeting?**
  Schedule the meeting during an employee’s normal shift. When possible, avoid significant dates such as birthdays, family celebrations, holidays and religious holidays.

- **Prepare virtual meetings**
  If a virtual meeting (e.g. zoom meeting) is necessary, prepare yourself and your surroundings. Be sure to wear professional attire, be aware of your background visuals, and eliminate disruptions such as pets or others in the room. Remember this is a confidential and private conversation.

- **What should I bring to the meeting?**
  - Notification Letter – HR will provide you with a template.
  - Employee Resource Guide for those Affected by a Payroll Reduction Measure – If you need to print a copy, the guide is available on the UM System’s webpage.¹

- **How long should the meeting last?**
  Generally, such meetings last about 20 minutes. Within the first few minutes of the meeting, make sure you explain the type of reduction and deliver their written

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¹ [http://umurl.us/tap](http://umurl.us/tap)
notification letter. The success of the meeting is less about how long it takes and more about helping the employee understand the process and support programs available to them. Assistance programs are described in the next section.

□ **What should I say?**
Every employee-supervisor relationship is unique, but Appendix A may provide some ideas of what to say.

□ **How do I help my employees emotionally?**
See Appendix B, which provides common reactions and recommended responses. Refer employees to the Employee Assistance Program\(^2\) if they are experiencing depression, stress, anxiety or other concerns.

As a supervisor who is delivering difficult, stressful news, do not forget to take care of yourself. This can be an emotionally and physically draining time. Remember that the Employee Assistance Program is available to you, too.

**9. Explain the Notice and Pay Implications/Options and Benefits**

□ Review the notice letter point by point to ensure understanding.

□ Ensure pay implications are covered.

□ Verify understanding of dates and expectations for work (e.g., not performing work during the period of reduction of FTE, short-term and long-term furloughs).

□ Review benefits coverage during the leave.

□ For additional details, refer to Employee Resource Guide for those Affected by a Payroll Reduction Measure

**10. Final Steps**

□ Follow-up with your campus HR contact to notify them the conversation has taken place.

□ Provide them with the final letter to file in the official personnel file.

\(^2\) [http://umurl.us/eap](http://umurl.us/eap)
Appendix A: Steps for Having a Meeting with Your Employee Related to the Payroll Reduction Measure

Follow these basic steps to help make sure a meeting with your employee is clear and logical but also compassionate and helpful. Sample scripts are suggestions only. Do what seems best for your specific supervisor-employee relationship.

Meeting Outline/Overview

Step 1: Greet the Employee
Make the employee feel comfortable; keep it friendly, but succinct.

Example: “Thank you for meeting with me. I appreciate your time.”

Focus on the facts and the background of the situation.

Example: “The University has lost a substantial amount of funding, and we need to realize some immediate cost saving strategies which means reductions are necessary.”

Step 3: Deliver the Message
Speak clearly and calmly. Tell the employee directly that they will be experiencing a reduction and the Payroll Reduction Measure that applies.

Example: “I’m meeting with you because I must inform you that you are being placed on a short-term furlough (or other measure as identified above for each employee). This means your last day working, will be XX and you will return to work on XX (one week). I want you to know that the department arrived at the decision only after a long and careful review of many options. We do not take this lightly.

“Here is your official letter.” (Give the letter to the employee; allow time to read the letter and process the information. Point out the effective day.)

“Here is a guide to help answer your questions.” (Give the employee the Employee Resource Guide for those Affected by a Payroll Reduction Measure)

(Pause)

State: “I know this may be disappointing news. Is everything I’ve said clear? Do you have any questions?”

<table>
<thead>
<tr>
<th>Action</th>
<th>Information to discuss with employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary Pay Rate Reduction</td>
<td>Provide reduction % or flat rate, start and end date</td>
</tr>
<tr>
<td>Temporary FTE Reduction</td>
<td>Provide adjusted FTE, possible schedule changes, start and end date, expectation of no work outside of new schedule</td>
</tr>
<tr>
<td>Short-Term Furlough</td>
<td>Provide start and end dates, expectation of no work, unpaid for one week</td>
</tr>
<tr>
<td>Long-Term Furlough</td>
<td>Provide start and end dates, expectation of no work, extends from 2 to 12 weeks, vacation accruals must be used until exhausted</td>
</tr>
<tr>
<td>Seasonal Leave of Absence</td>
<td>Provide start and end dates, allowed to use appropriate leave accruals (limited use)</td>
</tr>
<tr>
<td>Excused Absence without Pay</td>
<td>Provide expectation of no work outside of adjusted work schedule (limited use)</td>
</tr>
<tr>
<td>Layoff and Transition Assistance</td>
<td>Reference the Layoff and Transition Assistance Guide</td>
</tr>
</tbody>
</table>
Step 4: **Listen and Respond with Empathy and Compassion**
Wait for the employee to speak. Answer questions honestly and appropriately. Listen carefully and make eye contact. Not knowing every answer is fine. Take note of questions and let the employee know you will provide the answer as soon as possible.

Step 5: **Provide Clear Structure and Next Steps**
Encourage the employee to read the materials later and to reach out to Human Resources with any questions.

Example: “*Human Resources is available to discuss your issues related to your pay implications/options and benefits.*

Step 6: **Close the Meeting**
When closing the meeting, offer support.

Example: “*I want to thank you for your service to our department and if I can be of help to you during this payroll reduction measure, please let me know.*”
Appendix B: Recognizing and Responding to Employee Reactions

Your employee’s reactions will be specific to the individual. However, there are some familiar patterns of behavior that are predictable or considered normal.

While some employees may be understanding of the situation, and even volunteer for a payroll reduction measure, other employees may:

- Sit in stunned silence
- Appear confused, tearful or break down emotionally.
- Get angry, defensive, resistant and/or threatening.
- Ask “why me” questions.
- Challenge the supervisor’s authority or ask to speak to someone in charge.
- Criticize the University.
- Threaten with a legal action or other formal action, such as a retaliation complaint.
- Bring up their personal obligations—mortgage, kids in college, debts, etc.
- Plead their case.
- Try to make it a personal.

What to do:

- Stay in control of the meeting and your emotions at all times.
- Show compassion and empathy.
  - Meet the employee where they are. Understand this is the first they are hearing and processing the information while you, as the leader, have had time to prepare and adjust to the situation.
- Give the employee time to accept the news.
- Be sure the employee knows the details are in writing.
- If necessary, let the employee know this is not a discussion about other employees.
- Acknowledge any anger, but avoid becoming angry or defensive. Remain calm.
- Keep the discussion moving through the points to be covered.
- Let employees know that the Employee Assistance Program is available to them.
- Avoid:
  - Trying to take away “bad feelings” by excessive reassurances.
  - Derailing the conversation by discussing previous issues.
  - Seeming apologetic or making promises that cannot be kept.
Appendix C: FAQ’s, Policies, and Other Resources

Please refer to the Resource Guide for Employees Appendices:

- HR-710 COVID-19 Payroll Reduction Measures
- HR-710 Frequently Asked Questions
- Unemployment Assistance