

Leaders Resource Guide

Delivering difficult messages to
those affected by a Salary Reduction Measure



University of Missouri System
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Preface

This guide presents a summary of information drawn from University policies and procedures and the HR-710 Payroll Reduction Measures for Administrative, Service and Support Employees policy, and HR-720 Policy on Salary Reductions for Faculty and Other Academic Appointees and is designed as a resource for leaders in supporting employees affected by employment changes impacting their salary, FTE, or other employment terms. 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 for Administrative, Service and Support staff, and May 4, 2020 for Faculty and Academic appointees.

This guide is provided for employees whose Payroll Reduction is effective on or after the implementation of HR-710 and HR-720.

Introduction

As a leader, you are keenly aware of the stress, confusion and questions your team experiences when news of a potential reduction begins to circulate, including across-the-board pay cuts, FTE reductions, short-term or long-term furloughs or layoff. During and after these 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, managers, and other leaders (referred to only as “leaders” in the remainder of this guide for brevity’s sake). A separate guide is available for both faculty and staff, titled *Administrative, Service and Support Staff Resource Guide: Information for those affected by Payroll Reduction Measures* and *Academic Resource Guide: Information for those affected by Salary Reductions*.

Reduction proposals will be submitted through an automated routing, approval and documentation process through an HR Portal, Cherwell. The Cherwell process has been identified as the official repository for documenting reduction justifications (necessary for future reviews due to CARES act funding, etc.), as well as providing standardized processes and aligning technologies. Cherwell will assist in streamlining transactional PAF work and in ensuring required notification documentation. It’s important that all information be completed in this system. Your campus will provide guidance on who will initiate these proposals in Cherwell.

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 Reduction

1. Define the Reasons for a Change

Carefully consider the guiding principles (the University’s mission, sensitivity to employees, and equity) and the universities challenges as you think about necessary measures impacting employees.

Be aware that leaders often have more information to understand the necessities for taking measures to reduce payroll expenditures, but your employees may not have the same scope or perception of information.

In preparation for your conversations, document your considerations and be ready to be as transparent as possible. Read through HR-710 Payroll Reduction Measures for Administrative, Service and Support Employees, and HR-720 Policy on Salary Reductions for Faculty and Other Academic Appointees 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, enrollment or workload change, 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:

For administrative, service, and support employees and student employees not receiving work-study benefits, per HR-710:

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

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.

For tenured, tenure-track, non-tenured track (NTT), unranked, non-regular academic, adjuncts, not including students on academic appointments, per HR-720:

ACTION	AUDIENCE	IMPACT
General Temporary Salary Reduction <i>(Across the board temporary pay rate reduction)</i>	All categories of faculty and other employees on academic appointments	Up to 25%, across the board applied to <ul style="list-style-type: none"> • Types of academic appointments; • College, school, department, or other similar units; or • Salary level.
Criteria-Based Salary Reduction <i>(performance-based or budget-based)</i>	Tenured Faculty	Up to 25% <ul style="list-style-type: none"> • Individual faculty members • Entire contract year
Non-renewals	NTT	Notice of non-renewal in advance of appointment end date.
Layoff and Transition Assistance	NTT, Unranked non-regular faculty, other non-regular academic appointments	3-6 months layoff benefits and 4-20 weeks transition assistance pay.

2. Contact campus Office of Human Resources or Provost Office

Before you proceed with your payroll reduction measures, contact your campus, MU Health Care, system human resources office or Provost office. They will work with you and provide support throughout the process.

3. Identify employees who will realize a change

If the goals and business reasons you have identified lead you to conclude that some type of reduction is necessary, employees should be chosen 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 some actions will apply to individual employees, 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 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 decisions. Leaders should be prepared to support their decisions with evidence of employee performance.
- **How should disciplinary actions or performance improvement plans factor in the decision making?**
An employee's official personnel record may be considered in making decisions, but the purpose of these decisions are to achieve fiscal and operational outcomes, not impose additional discipline.
- **Is the employee in a union-eligible position, covered by Understanding of Policies local 773/955 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.
- **Is the employee a faculty or other employee on academic appointment?**
If yes, review the contract terms including contract end dates, summer appointments, and other factors which might be relevant in determining reduction measures and notification deadlines.

4. Review the appropriate Resource Guide for those affected by a reduction

Reading through the 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/HR-720 policies and Q&As. Please also refer employee questions to your campus, MU Health Care, or system human resources representatives.

5. Submit documentation through the approval process

You or an appropriate designee for your department/division will enter the specific employee(s) information into the HR Cherwell portal 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 appropriate measure approved, 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 changes impacting their pay or job, 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 these 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 making the necessary decisions

8. Have a Personal Meeting with Each Employee

Have a personal meeting with each employee that is affected. 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.
 - The appropriate resource guide – 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 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-leader 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.

¹ <http://umurl.us/tap>

Refer employees to the Employee Assistance Program² if they are experiencing depression, stress, anxiety or other concerns.

As a leader 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.

Note: For across-the-board pay reductions, it may not be feasible to have individual meetings. In these cases, ensuring a unit-level meeting with those employees who are impacted is important.

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 the appropriate employee resource guide.

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 <https://www.umsystem.edu/totalrewards/benefits/eap>

Appendix A: Steps for Having a Meeting with Your Employee

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 leader-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.”*

Step 2: Provide an Introduction and the Business Reason for the Payroll Reduction.

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 appropriate guide)

(Pause)

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

Action	Information to discuss with employee
Temporary Pay Rate Reduction	Provide reduction % or flat rate, start and end date
Temporary FTE Reduction	Provide adjusted FTE, possible schedule changes, start and end date, expectation of no work outside of new schedule
Short-Term Furlough	Provide start and end dates, expectation of no work, unpaid for one week
Long-Term Furlough	Provide start and end dates, expectation of no work, extends from 2 to 12 weeks, vacation accruals must be used until exhausted
Seasonal Leave of Absence	Provide start and end dates, allowed to use appropriate leave accruals (limited use)
Excused Absence without Pay	Provide expectation of no work outside of adjusted work schedule (limited use)
Layoff and Transition Assistance	Reference the Layoff and Transition Assistance ³ Resources

³ https://www.umssystem.edu/ums/hr/transition_assistance

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 leader'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 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 Program⁴ 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.

⁴ <https://www.umsystem.edu/totalrewards/benefits/eap>

Appendix C: FAQ's, Policies, and Other Resources

Please refer to the resources for employees:

- HR-710 Payroll Reduction Measures for Administrative, Service and Support Employees
- HR-710 Frequently Asked Questions
- HR-720 Policy on Salary Reductions for Faculty and Other Academic Appointees
- HR-720 Frequently Asked Questions
- Unemployment Assistance



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