



# THOUGHTS ON RISK MANAGEMENT WHEN DOWNSIZING OR CLOSING

## SECURITY AND PROTECTION

Downsizing, mergers, facility closures, reductions and layoffs — these are all too common during this time of economic unrest. Many employees, their families and communities continue to be affected by these organizational change decisions.

In the face of any impending change, affected employees can become anxious, scared, depressed, stressed, even angry. Those who remain in their jobs can suffer “survivor’s anxiety,” depression, stress and fatigue from increased workloads and a new organizational structure.

For the risk manager, safety director and human resources manager, downsizing and closing decisions can be challenging and wrought with the potential for liability and loss. How can companies help reduce their loss exposures during these changes? The following addresses some considerations for human resources, as well as property and premises security.

### PREMISES SECURITY AND PROPERTY PROTECTION CONSIDERATIONS

In anticipating facility closings or mass layoffs, companies also should be mindful of a number of premises security and property issues as part of risk management planning during such times.

The following provides some guidance around managing risk factors during these times.

#### PROTECT YOUR PREMISES

- Ensure building access is protected and subject to authorization. During off-hours, access should be minimized.
- Require security personnel to patrol the grounds and buildings routinely
- Place guard stations at entryways with unobstructed views of worker and vehicular traffic
- Monitor and control your parking facilities and garages
- Ensure there is adequate lighting in the facility, including hallways and parking areas





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- Locate reception areas so that you can easily control access and egress
- Use closed-circuit recorded TV to document activity and behavior
- Secure doors and windows with adequate locking mechanisms. Have security or a responsible person check these every night.
- Vacant floors should not be accessible. As departments vacate areas, limit access.
- Program elevators to prevent them from stopping at unoccupied locations
- Secure doors and limit stairwell access, where possible, unless doors and stairwells are used for fire exiting or for fire department access
- Keep tight management controls on key or card access
- Immediately deactivate key or card access for non-authorized or terminated employees, where electronic systems exist
- Workers should turn in parking and building passes immediately upon termination
- Notify local law enforcement of your closing or mass layoff. This knowledge can help police departments be more vigilant during their rounds/drive-bys to suspicious activity.



## GUARD AGAINST SABOTAGE AND THEFT

Inate workers may try to destroy or steal equipment or property.

- During normal work shifts, ensure that a team of people is assigned to watch for suspicious activity and are instructed to report it immediately to security personnel
- Do not permit unauthorized entry
- Authorized access to buildings after hours should be centralized at one location per building
- Require workers to sign in and out after hours
- If your company has a policy/ procedure regarding employee removal of company property, post it. Most companies that do have such a policy also give security the right to inspect suspicious packages or boxes, to insure against the theft of company property.
- Invalidate computer passwords of terminated employees and otherwise restrict access to company computers and systems
- Promptly inventory (collect and secure, where appropriate) valuable and/or non-essential equipment
- Post a written company statement or policy against any unauthorized activity that may be construed as sabotage or theft
- Secure and regularly inspect and test fire alarm and fire protection equipment, including, but not limited to, sprinkler system valves, panels and fire pumps

With proper planning and effective communication, organizations can implement the process of downsizing and layoff with employees in an efficient and sensitive manner.