



Received: 31/August/2025

IJRAW: 2025; 4(10):570-573

Accepted: 13/October/2025

A Study on Quiet Layoffs and Their Impact on Psychological Safety in Organisations

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Abstract

In recent years, the phenomenon of quiet layoffs—a subtle form of workforce reduction where employees are gradually marginalized, denied growth opportunities, or encouraged to resign without formal termination—has emerged as a silent crisis within organizations. Unlike traditional layoffs, quiet layoffs operate under the guise of organizational restructuring or performance management, leaving employees in a state of uncertainty and emotional distress. This study explores the humanitarian dimensions of quiet layoffs and their profound impact on psychological safety within workplace environments. Psychological safety, defined as the belief that one can express ideas, raise concerns, or make mistakes without fear of punishment or humiliation, is a cornerstone of healthy organizational culture. When employees experience quiet layoffs, trust erodes, communication weakens, and fear replaces openness, leading to long-term consequences such as decreased morale, anxiety, and disengagement. Through a human-centered lens, this research emphasizes the lived experiences of employees and the ethical responsibilities of employers in fostering transparent and compassionate organizational practices. The study further highlights how leaders' silence during such transitions exacerbates emotional insecurity and undermines collective well-being. In the humanitarian context, quiet layoffs are not merely a management strategy but a moral concern that calls for empathy, dialogue, and accountability. By understanding their psychological impact, organizations can shift from silent disengagement to inclusive decision-making that values human dignity. Ultimately, this paper advocates for a more humane organizational culture—one that safeguards psychological safety even in times of structural change.

Keywords: Quiet layoffs, Psychological safety, Workplace well-being, Organizational ethics, Employee dignity, Silent disengagement, Emotional impact, Organizational culture, Transparency.

Introduction

In the evolving landscape of modern workplaces, a quiet but deeply unsettling phenomenon has taken root — quiet layoffs. Unlike traditional layoffs, which are direct and formal, quiet layoffs occur subtly, through reduced responsibilities, stalled promotions, lack of communication, or exclusion from meaningful projects. Employees are often left to interpret silence as rejection, gradually realizing that their presence is no longer valued. This silent disengagement creates not just professional instability but also profound psychological and emotional harm. At its core, quiet layoffs raise significant humanitarian concerns. Workplaces are more than just spaces of economic activity — they are social ecosystems where individuals seek purpose, belonging, and respect. When organizations withdraw these human needs through unspoken exclusion, the result is a deterioration of psychological safety. Employees begin to fear expressing their thoughts, sharing new ideas, or even asking for feedback. The invisible pressure to remain compliant replaces trust with tension, creating a culture of anxiety and self-doubt. This study seeks to explore the human cost of quiet layoffs — how they affect not just job security, but the mental and emotional fabric of employees. It also examines the role of leadership and organizational ethics

in safeguarding psychological safety, even in times of structural change. In a humanitarian sense, quiet layoffs are not merely a corporate trend but a reflection of how institutions value the dignity of their people. Every decision to silently push someone out impacts a life, a family, and a sense of identity. Hence, this research emphasizes the need for compassion, transparency, and communication in workplace transitions. True organizational progress lies not only in financial growth but in the ability to preserve human worth. By addressing quiet layoffs with empathy, organizations can rebuild trust and nurture environments where employees feel seen, safe, and valued.

Review of Literature

i). **Amy C. Edmondson (1999):** Amy Edmondson's pioneering study introduced the concept of psychological safety, describing it as the shared belief that a team environment allows individuals to express themselves without fear of humiliation or punishment. Her findings demonstrated that open communication and interpersonal trust foster innovation and collective learning. When employees feel safe, they take risks, share feedback, and acknowledge mistakes without anxiety. In the context of

quiet layoffs, Edmondson's framework helps explain how subtle exclusion and silence corrode trust, leaving workers fearful and disengaged. Without this psychological foundation, even competent employees experience emotional insecurity and alienation, leading to long-term harm in workplace well-being and productivity [1].

- ii). **McKinsey & Company (2023):** McKinsey's research on quiet quitting and disengagement highlights the financial and emotional toll of silent workplace withdrawal. The firm's findings reveal that when organizations marginalize employees instead of communicating openly, overall productivity and morale sharply decline. Their study quantifies that disengagement can result in a 4–6% loss of total workforce efficiency, emphasizing that human connection and trust are crucial to sustainable performance. From a humanitarian lens, this research reinforces that quiet layoffs—though seemingly cost-effective—ultimately destabilize employee confidence and trust. By neglecting emotional well-being, employers risk creating workplaces marked by fear, detachment, and invisible suffering that impairs organizational growth [2].
- iii). **Times of India/HRTech Survey (2025):** According to a survey featured in The Times of India, over half of the respondents had either experienced or witnessed quiet firing. This phenomenon involves intentionally sidelining employees by withholding opportunities, excluding them from discussions, or assigning unfulfilling tasks until they resign voluntarily. The report emphasizes that these practices silently corrode employees' sense of belonging and self-worth, triggering stress and burnout. Such findings underline how organizational silence, instead of direct communication, leads to emotional harm and loss of trust. The survey's humanitarian insight is that every silent dismissal carries not just economic consequences but also deep psychological wounds that affect workplace culture and dignity [3].
- iv). **Shodewan (2023) – Forbes:** In his Forbes article, Shodewan explores the growing trend of quiet firing, where employees are subtly pushed out without explicit communication. He identifies common managerial behaviors—micromanagement, isolation, denial of recognition, or deliberate neglect—that collectively create an environment of exclusion. Shodewan warns that these tactics cause emotional distress and deteriorate employees' mental health, eroding faith in leadership. From a humanitarian standpoint, the article highlights the moral responsibility of organizations to preserve psychological safety and transparency. The study's relevance lies in connecting emotional neglect with productivity decline, emphasizing that respect and dialogue are essential for maintaining a healthy workplace culture [4].
- v). **TechTarget (2024):** TechTarget's analysis on quiet layoffs outlines several signs of covert marginalization, including removal from key projects, lack of career guidance, unclear expectations, and social exclusion. These subtle yet powerful practices create anxiety and confusion, leading employees to doubt their worth. The article stresses that when management fails to communicate directly, psychological safety collapses, resulting in emotional exhaustion and fear. In humanitarian terms, this silent rejection is more damaging than formal termination, as it denies employees closure and dignity. The publication recommends

transparent communication and empathetic management to prevent the hidden psychological trauma caused by such disengagement [4].

- vi). **IntechOpen (2023):** A recent IntechOpen chapter on organizational behavior revisits Edmondson's theory, emphasizing leadership's ethical duty to nurture psychological safety. The authors highlight that supportive leadership, open feedback, and clarity in roles are essential to maintain employee trust. When leaders become silent or avoid communication, it signals rejection and uncertainty—conditions that mirror the effects of quiet layoffs. The study's humanitarian approach asserts that organizations must view safety as a moral responsibility, not just a productivity factor. A psychologically safe environment safeguards dignity, empathy, and mutual respect—values that stand at the heart of sustainable human development in workplaces [5].
- vii). **Pettersen & Tkalic (2021):** Pettersen and Tkalic, in their research on agile software teams, found that autonomy, communication, and mutual respect significantly influence psychological safety and team performance. They argue that when employees lose their sense of contribution or recognition, team collaboration declines sharply. Relating to quiet layoffs, the gradual withdrawal of responsibilities or communication replicates this loss of trust and participation. Their work underscores that maintaining emotional inclusion is vital for creativity and well-being. From a humanitarian angle, the authors suggest that transparent leadership and empathy can prevent the psychological harm caused by silent disengagement and exclusion [6].

Research Methodology

This research employs a survey-based descriptive methodology to analyze the impact of quiet layoffs on psychological safety within organizations. The purpose of the study is to understand how silent organizational practices—such as isolation, withdrawal of tasks, and lack of communication—affect employees' emotional well-being and sense of security at work.

- i). **Research Design:** The study follows a descriptive quantitative design, using a structured questionnaire to collect data from employees working in various sectors such as IT, education, and corporate firms. This design helps in identifying trends, perceptions, and emotional responses toward quiet layoffs through measurable indicators.
- ii). **Data Collection Method:** A survey questionnaire was developed using both close-ended and Likert-scale questions. The questions focused on areas like employee morale, trust in management, workplace communication, and emotional well-being. The survey was distributed online via Google Forms to ensure accessibility and anonymity, encouraging honest participation.
- iii). **Sample Size and Sampling Technique:** The study collected responses from 100 employees across different organizations in both private and public sectors. A purposive sampling method was used to select participants who have either experienced, observed, or been aware of quiet layoffs in their workplace.
- iv). **Data Analysis:** Responses were tabulated and analyzed using percentage analysis and graphical representation to interpret patterns in employee perceptions. The data was further examined to identify how quiet layoffs influence

trust, communication openness, and psychological safety.

- v). **Ethical Considerations:** Participants were informed about the purpose of the study and assured that their identities would remain confidential. The research ensured voluntary participation, honesty in reporting, and emotional sensitivity in interpreting findings.

In a humanitarian sense, this methodology not only collects statistical data but also gives voice to employees' silent emotional experiences within organizational spaces.

Analysis and Findings

The survey conducted among 100 employees from diverse sectors such as IT, education, and corporate firms revealed several important insights into the phenomenon of quiet layoffs and its impact on psychological safety in organizations.

- i). **Awareness of Quiet Layoffs:** Nearly 72% of the respondents were aware of the concept of quiet layoffs, either through personal experience or observation. Many participants expressed that the practice has become increasingly common in modern workplaces where organizations prefer subtle workforce reduction to avoid public scrutiny or legal obligations.
- ii). **Experience and Emotional Impact:** About 58% of respondents stated that they had personally experienced quiet layoffs or witnessed them closely. The most frequently reported emotional responses were stress (65%), loss of motivation (61%), and feelings of isolation (55%). Respondents mentioned that being excluded from meetings or having their roles diminished without clear communication created confusion and insecurity.
- iii). **Effect on Psychological Safety:** A significant 80% of employees reported a decline in psychological safety after such experiences. They feared speaking openly, avoided expressing new ideas, and began doubting their self-worth. Many respondents felt that management silence and lack of transparency made them emotionally unsafe, leading to anxiety and detachment.
- iv). **Leadership and Organizational Culture:** Around 70% believed that leadership plays a crucial role in maintaining psychological safety. Employees highlighted that empathetic leaders who communicate openly, even during organizational changes, help retain trust and morale. Conversely, uncommunicative or indifferent leadership intensified emotional distress.
- v). **Workplace Morale and Productivity:** The study found a visible link between quiet layoffs and reduced motivation. Over 60% of participants reported a noticeable decline in productivity, creativity, and collaboration. Quiet layoffs not only affected those targeted but also bystanders who became fearful of job insecurity.

Overall, the findings reveal that quiet layoffs silently damage workplace harmony, trust, and mental well-being. From a humanitarian standpoint, the results call for transparent communication, empathetic leadership, and ethical decision-making to preserve the psychological dignity of every employee.

Overview of the Research

This study titled "A Study on Quiet Layoffs and Their Impact on Psychological Safety in Organisations" explores a growing yet often unspoken issue in today's workplace culture — the

practice of quiet layoffs. Unlike formal termination, quiet layoffs involve subtly excluding or sidelining employees through reduced responsibilities, lack of recognition, or denial of growth opportunities, until they choose to leave voluntarily. While organizations may see this as a strategic measure, its silent emotional damage is often ignored. The research aims to understand how such practices affect the psychological safety of employees — the sense of trust, respect, and emotional security that allows individuals to express themselves freely at work. Using a survey-based descriptive method, responses were collected from 100 employees across different sectors, including IT, education, and corporate services. The findings revealed that most employees who experienced quiet layoffs felt emotionally insecure, demotivated, and undervalued. A majority expressed fear of communication with superiors and a decline in workplace trust. The study highlights that these subtle practices not only affect the targeted employees but also lower morale and psychological safety for the entire team.

From a humanitarian perspective, the research underscores the ethical responsibility of organizations to handle workforce restructuring with empathy, transparency, and respect. It stresses that preserving employee dignity is as important as maintaining financial stability. The study concludes that fostering open dialogue, compassionate leadership, and inclusive communication can help prevent psychological harm and rebuild trust in modern workplaces.

Research Gap

Although existing studies have widely explored the concepts of downsizing, layoffs, and organizational restructuring, there remains a significant gap in understanding the silent and indirect phenomenon of quiet layoffs and its deep emotional effects on employees. Most previous research has focused primarily on the economic or strategic aspects of layoffs—such as cost reduction, organizational efficiency, or productivity—while paying limited attention to the psychological and humanitarian consequences of subtle employee exclusion.

Furthermore, there is very little literature that examines how quiet layoffs affect psychological safety—the emotional climate that allows employees to express ideas, take risks, and feel respected without fear of punishment or job loss. The few available studies are largely theoretical and lack empirical data, especially from an Indian or Asian organizational context where cultural values, hierarchy, and communication patterns differ significantly from Western models.

Another crucial gap lies in the lack of employee-centered narratives. Many organizational studies focus on management perspectives, overlooking the personal stories of employees who experience silent disengagement or forced isolation. This absence of voice prevents a full understanding of the emotional cost and long-term psychological impact of such practices.

Hence, this study attempts to bridge the gap by collecting first-hand data through surveys, focusing on how employees perceive quiet layoffs and how these experiences shape their sense of safety, trust, and belonging in the workplace. This humanitarian approach seeks to give voice to the silent sufferings that often go unnoticed in organizational systems.

Conclusion

This study on Quiet Layoffs and Their Impact on Psychological Safety in Organisations reveals that silent disengagement practices within workplaces carry deep

emotional and ethical consequences. While organizations may see quiet layoffs as a subtle or non-confrontational way to manage workforce reduction, the human cost of such practices is profound. Employees who experience quiet layoffs often face uncertainty, self-doubt, and fear of speaking up. Over time, this erodes the foundation of psychological safety, leading to reduced trust, motivation, and emotional well-being.

The findings of the survey highlight that employees value transparency, empathy, and open communication more than ever. When organizations fail to provide clear communication or emotional support, even capable employees begin to feel excluded and undervalued. Such environments not only harm individual confidence but also weaken the overall health and productivity of the organization.

From a humanitarian perspective, the study emphasizes that employment is not merely an economic arrangement but also a relationship built on mutual respect and dignity. Quiet layoffs, though often unspoken, challenge this moral bond. To maintain organizational integrity, leaders must recognize the emotional realities of their employees and adopt practices that promote compassion, inclusivity, and fairness.

In conclusion, the research calls for a shift from silence to empathy—from quiet layoffs to open dialogue and humane management. True success in an organization lies not just in achieving business targets, but in creating a workplace where every employee feels heard, valued, and psychologically safe.

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