

## **Before Downsizing, Talk With Employees**

Gerri King, Ph.D.

During these difficult times, organizations in both the private and public sectors are desperately trying to find ways to reduce expenses and create budgets that will secure a future. An obvious approach is to lay people off.

Cutting employees is not only traumatic for those whose positions are affected, it's difficult for the survivors. They stand to lose their friends and colleagues, and they find themselves waiting for "the other shoe to fall," wondering if they'll be next. Morale decreases and guilt is pervasive. Stress increases. Productivity goes down.

Ironically, it's common to assume that those employees who survive the layoffs should be delighted, as well as relieved. It's also often assumed that survivors do not need attention in both the short and long term. In fact, those that retain their jobs are often very distraught. They can hardly celebrate when their friends and colleagues have been downsized. They're now responsible for more work, some of which is outside their areas of expertise, which can result in low self-esteem and feelings of incompetence. Because there is a pervasive fear that more layoffs might happen, they keep their inadequacies a secret and risk not addressing potential crises. In fact, even in the best of times, a Wall Street Journal survey discovered that 51% of US employees do not know, clearly what their supervisors expect of them and an even larger majority keep secrets from their supervisors for fear of getting a low performance evaluation.

Finally, the 2 major reasons for conflict in organizations are role confusion and lack of clear process. Reorganization exacerbates both. I strongly urge leaders to pay attention and provide forums that acknowledge the emerging issues and help the staff solve the problems that confront them.

More importantly, before taking the major and agonizing step of downsizing, talk with your employees. Throughout the country, people are coming up with creative and innovative ways to retain jobs for themselves and their colleagues. It's been heartening to hear stories of employees reducing their own salaries to salvage those of others. Or, taking time without pay, lessening their hours, voting to eliminate perks, and cooperating in ways that were never imagined.

The cost-cutting solutions that emerge from such an effort are impressive. Teams are forced to look in a variety of areas that efficiencies can increase and expenses can be reduced. If you encourage everyone, at every level of the organization, to find ways to save money without sacrificing quality, the individual and collective effort may vault you to a whole new level of excellence - one that can be retained long after the crisis. It is the ultimate team building exercise.

Consider this. Do you think that people ever leave work saying, “If they only asked me”? I contend that it happens even when times are good. Rather than those at the top making decisions in isolation, why not ask for input? You may not be able to use it, but it’s certainly worth a try. If, in the end, reducing the workforce is the only option, people will still appreciate you’re efforts.

Folks need to know that those in power are trying everything possible to do the right thing. They must believe that the decisions are not taken lightly and that they’re suffering along with everyone else because there is no substitute for caring. And, they want to be assured that they’re being told the truth in a timely fashion.

It’s essential that communication increase during troubling times. Talk to them even when there is nothing much to share. Tell them when you still don’t know anything so they know you will tell them when you do. Connection is essential. Secrecy and withholding are potentially disastrous.

There is a temptation to resort to “Let’s not tell the ‘kids.’” It doesn’t even work with kids. Children know when their parents are struggling and it causes unease, at best - insecurity and fear, at worst. The workforce needs to know that they’re in the loop and be invited to suggest ideas and possible solutions. They must have their say, if not their way. If their suggestions are not taken, they can accept that as long as those at the top get back to them and tell them why.

Finally, keep in mind that how employees are treated during difficult periods will dictate whether they remain loyal once the recession lifts. If they’re unhappy and feeling mistreated now, they may not leave because there aren’t many places to go. But when there are, they will only stay around if the company remained sensitive to their needs all along.

People are willing and anxious to help. Give them a chance. After all, those that do the job every day know how to solve the problems. Even though today's challenges are far greater than we ever imagined, the resilience of our workforce cannot be underestimated. Will they be disappointed if what they come up with doesn't work? Of course, but no more so than if they're not involved at all. And, they will know that you tried.

*Gerri King, Ph.D., is a social psychologist and national/international organizational consultant.*