

# Article

## Corporate Downsizing and Layoffs

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Keeping employees motivated and positive in the face of restructuring and probable downsizing is a lofty goal, especially in a small company where everyone might know each other. Those who may not be fearful about losing their jobs may be concerned for the welfare of co-workers and friends. The most effective tool for reducing fear and anxiety is information. Employees need to receive an honest account of the restructuring effort. They need to have an accurate picture of the endeavor's scope, the reasons the effort is necessary, and the long range plans of the company. A key factor in getting employees to stay positive and motivated is to expose them to the company's vision. They must believe that this is an effort to reach a goal, not a reaction to uncertainty by the company's leaders.

A predictor of how employees will respond to restructuring is their level of trust in management's ability to lead. If your organizational culture is one of mutual trust and respect, employees are more likely to see restructuring as a difficult, but necessary step to ensure the company's success. Otherwise, this effort is likely to be seen as just another example of management's confusion and/or lack of direction. In either case, the feeling and fears of the employees must be acknowledged and validated.

It is normal to encounter a period of grieving and loss of productivity if a downsizing becomes necessary. The goal is to help employees deal with their emotions, and then move to the business of successfully dealing with the reality of the restructured workplace.

Restructuring attained its Machiavellian reputation for the ways in which it was accomplished more than the final outcomes of the efforts. Stories of employees receiving termination notices by voice-mail, or returning from lunch to find their desks cleaned out, and being escorted from the building by security come flooding back at the mere mention of the word restructure.

Research tells us that feeling appreciated is very high on the list of things that are important to most employees. Many companies tout the premise that employees are their most important assets, but evidence to support this belief is often absent during a restructure. Employees need to know that they are appreciated and will be treated with dignity and respect. They also need to feel that they are a part of the organization. Open and honest sharing of information is the way to help employees feel respected and included.

Lastly, it is important for employees to feel that help will be available if there is indeed a downsizing. They will want to know if outplacement services will be provided, how much notice will be given before termination, and other issues relevant to short-term financial planning. Providing information about the kinds of support mechanisms that will be available if needed will allow the workforce to redirect the energy that might otherwise be channeled into worry about the future into productivity. They will effectively help the company and themselves do the things that are necessary to succeed in the future. Remember, there is no substitute for clear and honest communication when attempting to bring about change.