

AMS Insights

Thought Leader Article



Corporate Downsizing and Layoffs

Written By:
Pearl Maxwell, Ph.D.



Developing People, Enhancing Process, Enabling Technology

AMS Insights

AMS *Insights* is a collection of research, thought leader articles, white papers and other unique intellectual assets focused on helping our clients to benefit from our subject matter experts' global experiences and cross-industry interactions.

Developed as a collective outlet for our practitioners to ponder and propose thoughts, and observe industry trends, our clients become the beneficiaries of a library of cutting edge knowledge, available in a multitude of media formats.

If you would like more information on this, or other topics, please visit www.amsconsulting.com, or email us directly at info@amsconsulting.com.

Copyright © Advanced Management Services, Inc. (AMS). All rights reserved.

Corporate Downsizing and Layoffs

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.

About the Author/Research

Pearl Maxwell, Ph.D.

Dr. Maxwell is a Principal Consultant at Advanced Management Services, Inc. (AMS), a full service management consultancy servicing an international client base.

Since 1989, Pearl has developed a successful career as an organizational development practitioner, professional trainer and keynote speaker. She possesses a unique skill that combines adult learning models, personal experiences, and humor to engage organizations and create successful improvement efforts and productive learning sessions.

Dr. Maxwell is on the faculty of The University of Phoenix where she teaches courses in management, leadership, ethics, and project management. She is also a lecturer at Boston University's School of Education and The University of Massachusetts Medical School. She is a registered educational provider for the Project Management Institute, and has created and delivered hundreds of training sessions in a variety of industries at all levels from frontline employees to senior executives.

Pearl has extensive experience working with process improvement and reengineering initiatives helping clients, such as SCC, Sprint, Rehab Care, and Symphony Health Services to create functional business models for enhanced organizational productivity.

During her career with AT&T Corporation, which spanned more than 20 years, she held various management positions in operations, quality assurance, and global project management. She also managed projects that created complex virtual telecommunications networks for AT&T's largest customers with both national and international scopes.

Dr. Maxwell earned a Ph. D. in organizational development from The Union Institute and University, a master's of education from Cambridge College, and a certificate in project management from Boston University. She is an AMS certified instructor. She is active in industry trade associations including the Project Management Institute, National Association of Female Executives, and the American Society for Training and Development (ASTD).

Research

1. Deal, Terrence and Allan Kennedy. "The New Corporate Cultures: Revitalizing the Workplace after Downsizing, Mergers, and Reengineering". Basic Books, 2000.
2. Marks, Mitchell Lee. "Charging Back up the Hill: Workplace Recovery after Mergers, Acquisitions, and Downsizings". Jossey-Bass, 2002.
3. King, Deborah. "Learning to Live with Downsizing: Seven Powerful Lessons for Building a Bridge to Tomorrow". EMI Publishing, 1997.



Consulting • Training

Developing People • Enhancing Process • Enabling Technology

Advanced Management Services, Inc. (AMS)

United States • Canada • Italy • Singapore

Hong Kong • United Kingdom • India • Brazil

Email: info@amsconsulting.com • Web: www.amsconsulting.com

About AMS:

Advanced Management Services, Inc. (AMS) is a global management consulting firm focused on improving our clients' business performance by developing people, enhancing process and enabling technology. Our industry leading subject matter experts design and deliver customized consulting, learning and research solutions in a range of mission critical business areas resulting in continuity and sustainable results for clients across all industries. For two decades, AMS has assisted Fortune 500 organizations, Global 2000 companies and various government agencies in identifying their needs and implementing scalable solutions with a focus on value, quality, and positive impact.

AMS Advantage:

- Servicing a Global Client Base for two decades.
- Fully owned copyright allows for flexibility in customization of training programs.
- Executive level consultants with an average of 20 years specific industry and subject matter expertise.
- Licensing of specific training materials to corporate training departments and Universities.
- Learning Management System (LMS) to support curriculum based training solutions.
- Best in Class Implementation Methodology to ensure the highest levels of service.
- Unmet level of client satisfaction
- Account management structure to support client needs.
- Cross industry experience to promote creative client solutions.
- Priced competitively with a focus on value added solutions.
- Team and client portal to ensure collaboration and communication.
- Client facing Lessons Learned Analysis (LLA) at the close of every project.
- Project communications structure to ensure multiple consultants are briefed on client projects.
- Global resources to provide the right consultant, at the right time, in the right place.
- Best Practice tools and processes to support our solutions.
- Industry specific accreditations and academic credit for specific programs.
- Research: Articles, published works, podcasts, video vignettes, and benchmark research available for our client family.
- Monthly news update via RSS Feeds highlighting current trends, new products and industry news.
- Blended Learning and delivery solutions to support a distributed workforce and travel budget controls.

Disclaimer

This publication contains general information only, with the intention of delivering thought provoking ideas, and neither Advanced Management Services, Inc. (AMS), nor its affiliates are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

None of Advanced Management Services, Inc., or its respective affiliates shall be responsible for any loss whatsoever sustained by any person who relies on this publication.