

Announcing a Downsizing

by Bob Whipple, MBA, CPLP



Announcing a downsizing is an extremely delicate leadership challenge. The subject of organizational change has numerous complexities and tripwires for leaders. In this brief paper, we will address only the issue of announcing a downsizing.

The most crucial shortage threatening our world is not oil, money, or any other physical resource. It is the lack of enlightened leaders who know how to build trust and transparency while navigating change. We need more leaders who can establish and maintain the right kind of environment even when conditions are difficult.

Difficult Times

The current work climate for leaders exacerbates the problem. Many organizations have been forced to take draconian measures to survive. It is difficult to maintain trust and transparency in these environments.

Leaders need to make difficult decisions in a way that maintains the essence of trust. An impending downsizing offers a major challenge for any leader. While there is no one formula that fits every situation, here are some ideas that might be helpful.

Be More Open

When a downsizing is imminent, many managers wrestle with when and how to break the news. On the surface, it feels like the safer thing to do is to procrastinate on announcing the difficult news. It is often the wrong way to go for the long-term health of the organization.

There are processes that allow leaders to downsize and still keep the backbone of the organization strong. It takes exceptional skill and care to accomplish it. Restructuring the work flow to be more efficient is vital.

The trick is to not fall victim to the conventional surgical methods that have been ineffective in the past. Yes, we can cut off a leg in the back woods with a bucksaw and a bottle of whiskey. There are far less painful, but safer and more effective ways to accomplish such a traumatic pruning.

Be Transparent During the Planning

One tool is to be as transparent as possible during the planning phase. HR managers insist there is a risk of projecting a need for downsizing. It might lead to sabotage or other forms of rebellion. There are often legal considerations with premature divulging of information.

We must consider a balance of factors. The irony is, even with the best secrecy, people will be aware of an impending layoff before it is announced. Just as nature hates a vacuum, people find a void in communication intolerable.

Uncertainty is a Poison

Not knowing what is going to happen is an incredibly potent poison. Human beings are far more resilient to bad news than to uncertainty. Information freely given is a kind of anesthesia that allows managers to accomplish difficult operations with far less trauma. This practice can be helpful for three reasons.

- 1) It allows time for people to assimilate and deal with the emotional upheaval and adjust their life plans accordingly.
- 2) Sharing plans treats employees like adults who are respected enough to hear the bad news. They are not children who must be sheltered from reality until the last minute.
- 3) It allows time for the people who will be leaving to train those who will inherit their work.

All three of these reasons, while not pleasant, work to enhance rather than destroy trust.

Significant Caveat

One caveat is that pre-announcing a downsizing may cause some of the best people to go job hunting elsewhere. The wise manager understands this and makes sure the critical resources know their employment is secure. It is also important to share that workloads will be reasonable after the downsizing. It is better to be open about the situation than to have people making assumptions based on speculation.

Conclusion

Full and timely disclosure of information is only one of many tools leaders can use. It maintains and even grows trust while executing unpleasant necessities. The method is not universal for every situation and culture. It will have merit in most situations and should at least be considered as an option. The situation is not hopeless. We simply need to teach leaders the benefits of trust and transparency and how to maintain them.

Bob Whipple, MBA, CPLP, is a consultant, trainer, speaker, and author in the areas of leadership and trust. He is the author of: *The Trust Factor: Advanced Leadership for Professionals*, *Understanding E-Body Language: Building Trust Online*, and *Leading with Trust is Like Sailing Downwind*. Bob has many years as a senior executive with a Fortune 500 Company and with non-profit organizations. For more information, or to bring Bob in to speak at your next event, **contact him at** www.Leadergrow.com, bwhipple@leadergrow.com or 585.392.7763

The
TRUST
Ambassador