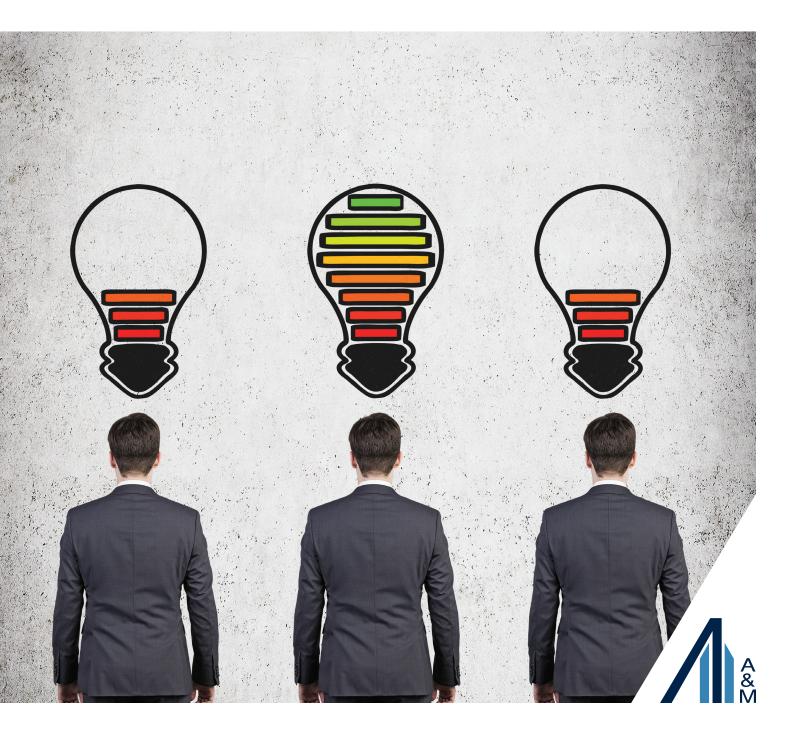
ENGAGING THE SURVIVORS

ENERGIZING YOUR WORKFORCE AFTER DOWNSIZING



ALVAREZ & MARSAL

The worst is over. You have gone through the gut-wrenching process of downsizing your workforce. You have had the termination conversations. You haven't slept peacefully in weeks, but now it's done. You think you see the light at the end of the tunnel.

You quickly realize that there's a lot of work to do and fewer people to do it, so without hesitation, you jump back into the routine of running your organization, but there's a problem. Your employees are overwhelmed and distracted. They are updating their LinkedIn profiles. They are booking conference rooms for private calls and taking lunches off-site. The coffee pot chatter has not died down, except for when you enter the room.

You fought hard to keep your top employees, but the current environment is not going to work. How do you get them back on the team? How do you re-engage them?

START WITH WHY

According to research by Prosci, Inc., the number one reason managers and employees resist change is a lack of awareness.¹ Your employees are likely aware of the overarching reasons for the layoff: changing market conditions, competitive threats, etc. Most often, though, the specifics are not communicated directly to employees. No one likes to talk about the painful reality because it should be obvious, right? In truth, no it isn't.

Take the time to explain — in detail and in person — **why** this happened. Think carefully about your narrative. This is important information and you need a clear and consistent message. How did factors such as market changes and competitive threats specifically impact your company? What steps were taken before layoffs were considered? What would have happened to the company if the layoff had not occurred? How would their jobs have been impacted?

This leads us to the second question on employees' minds: **why** am I still here? Employees feel guilt for keeping their jobs when their colleagues did not. Organizational psychologists call this "layoff survivor syndrome," and it can be equally as distressing as being let go. While you never disparage those who lost their jobs, it's important for the employees still in place to understand why their skills and experience are critical to the success of the new organization. Give these employees the data they need to process the reason why they remain. Use this as an opportunity to boost their confidence and let them know how much you value and depend on their skills.

Finally, answer the question everyone is afraid to ask: **why** is this **not** going to happen again? Your employees are waiting for the other shoe to drop. You need to share the *specific* actions that leadership has taken to avoid future layoffs. If you don't know these actions, it's time to start asking; this information will give you peace of mind as well. To the extent possible, provide a level of certainty that the layoffs are over and it is time to move on to the new business as usual.

PROVIDE AN OPPORTUNITY TO OPT IN

To successfully transition through the change, every employee will have to make a personal decision to **choose** to be part of the new organization. This seems rather elementary, but if your employees are still talking to recruiters, they have not made this decision. Bringing about this choice is — without question — the hardest part of re-engaging your workforce.

The first step is simple: ask employees for their help. Give them specific opportunities to **choose** to help you. Asking for help is not a sign of weakness; it's a sign of strength that you're willing to be vulnerable. The truth is: you **are** vulnerable; you **do** need their help. People are intrinsically motivated to help others. According to a recent study, the human brain is hard-wired to help others, with actions of support stimulating activity in the reward and stress-reducing centers of the brain.² Leverage this! Let employees **choose** to help you, and simultaneously feel good about themselves and reduce stress. It's a win-win proposition.

Next, create an environment in which employees are empowered to make that choice. Let go of the details, and put them in the hands of your employees. The downsizing activities have destroyed the natural working teams in the company. Processes will have to be reworked to adapt to the new organization. You should set the vision and accountability, but let your employees define the new work processes. Give them the latitude to figure out how to make things work in the new organization. Make the go-forward plan their **choice**. If they create it, they will own it. They will be invested in it, and will **choose** to make it successful.

Finally, create clear, safe alternatives for employees to **choose**. When you give employees the opportunity to **choose** to opt in, you must also give them the opportunity to **choose** to opt out. You may have employees who simply will not get on board with the new organization. It is far better to manage this in a proactive manner than let it fester under the surface. A disgruntled employee can impose significant damage in this tense environment. If an employee chooses to leave, support his/her decision as you support those who choose to stay. That employee will work harder during the transition knowing that s/he has your support, and is less likely to poison the rest of your workforce. Don't take it personally — this is business. Moreover, given this level of support, employees often change their minds and **choose** to stay.

CONDUCT A THOUGHTFUL SKILLS ASSESSMENT

Chances are good that you're asking employees to take on new and different tasks in the new organization. At a high level, you considered this during the downsizing exercise. You believe they are capable of the new roles and responsibilities. Now it's time to put this belief into practice.

Ask employees to define the skills required in the new roles and self-assess their levels of competence in those skills. Timing is important. Employees should be given the opportunity to define the new work processes and truly understand what they need to accomplish in the new roles. Make it abundantly clear that this activity will not impact performance appraisals. This candid conversation will help set employees up for success. One-on-one, review the self-assessments with employees and provide your own feedback. More often than not, employees underestimate their capabilities. When skills gaps arise, work collaboratively to establish action plans. Your funding is limited, so think outside of the box. Is this a skill you could transfer to your employee? Are there others in the company who could mentor your employee? Is there training available through your corporate learning and development organization? Finally, is external training available to give your employee the skills necessary to succeed? It is essential that employees know that the company is supporting them in these new roles and is committed to ensuring success. Do not skimp on training to save costs, only to have committed employees fail in their new roles.

ASKING FOR HELP IS NOT A SIGN OF WEAKNESS; IT'S A SIGN OF STRENGTH THAT YOU'RE WILLING TO BE VULNERABLE. THE TRUTH IS: YOU ARE VULNERABLE; YOU DO NEED THEIR HELP.

MAKE SUCCESS ATTAINABLE

Your organization has gotten smaller, but the workload is at least the same and possibly larger. While you clearly were hoping to recognize efficiencies through this process, it's your job as leader to ensure that employees are able to succeed in the new organization. The workloads in the new environment must be realistic. You made assumptions during the downsizing process as to the **amount** of work your teams could accomplish. It was your best guess. You have to make sure the assumptions were accurate.

In project management, the "triple constraint" is well known. For a given level of quality, there are three competing levers that must be managed: cost, scope and time.³ If one changes significantly, the others must be adjusted to compensate. The same holds true for your new organization. You have significantly reduced cost in your company. To continue producing high quality work, you may need to adjust scope or time. Changes in scope could include stopping lower value activities or shifting work to other parts of the organization. Timelines might also have to be adjusted. Carefully monitor the workloads of your employees and actively manage these tradeoffs when issues arise.

In his book Accelerate: Building Strategic Agility for a Faster-Moving World, change management guru John Kotter enhanced his seminal work, Eight Steps for Leading Change, to advise leaders to "enable action by removing barriers: remove obstacles to change, change systems or structures that pose threats to the achievement of the vision".⁴ This is essential to the success of your new organization. Search for and remove inefficient processes and hierarchies. Dr. Kotter also reported that 44% of leaders agree that their own management strategies are too bureaucratic and are a nuisance.⁵ In your new reality, you can't afford bureaucracy. Challenge your old way of managing and actively look for opportunities to make your employees' jobs easier. Step out of rigid processes and find creative ways to be more agile. Do people need flexible schedules or remote working opportunities? Make it happen. Now is not the time to rely on "the way we've always done it."

CELEBRATE SUCCESSES, EVEN SMALL ONES

You and your employees have endured a lot of difficult change and stress. Seek every opportunity to celebrate small wins. Start with the basics, such as birthdays or work anniversaries. Look for ways to reinforce the successful changes your organization has made. Lock in those new, desired behaviors with intentional acknowledgment. You don't have the budget to host elaborate events, so consider low-cost celebrations that are personal and meaningful. A handwritten note from a senior executive, special mentoring opportunity, or team pot-luck can reinforce employee commitment, show appreciation and improve morale.

CONCLUSION

Re-engaging employees after a downsizing is not easy, but it is within your span of control. You hold the keys to helping your employees transition through this difficult change and emerge as successful participants in the new organization. Your thoughtful planning and deliberate actions will make the difference in creating an energized, committed workforce.

¹ Prosci Incorporated, Best Practices in Change Management, Prosci Research Report, 2016.

- ² Tristen Inagaki, Ph.D. and Naomi Eisenberger, Ph.D., "The Neurobiology of Giving Versus Receiving Support: The Role of Stress-Related and Social Reward-Related Neural Activity," *Psychosomatic Medicine: Journal of Biobehavioral Medicine*, February 2016.
- ³ Pamela McGhee and Peter McAliney, Painless Project Management: A Step-by-Step Guide for Planning, Executing, and Managing Projects, Wiley, 2007.
- ⁴ John Kotter, PhD, Accelerate: Building Strategic Agility for a Faster-Moving World, Harvard Business Review Press, 2014.
- ⁵ John Kotter, PhD, Eight Steps to Accelerate Change in 2015, retrieved from http://www.kotterinternational.com/ebook/Kotter-8-steps-ebook.pdf, 2015.

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