# Good the following are some of the challenges that were faced while making decisi...

[Business](#), [Management](#)

# Communication and Decision Making

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1. 0 Introduction

The organization is facing downsizing in which the number of employees will be reduced. This is different from lay off as in it the employees are reduced temporarily and can be hired, whereas the downsizing is permanent reduction in employees (Bouyssou, Dubois, PradeΠrlot, 2013). Thus, it is important to adequately communicate the downsizing that is being taken place within the organization. It is important to mention that employees will not be informed about the employees whose contract will be terminated. However, the following is the breakdown of downsizing where the information will not be shared to participants other than the meeting.

- Order Processing will lose four of its 12 people

- Human Resources will lose two of its five people

- Production will lose eight of its 40 people

2. 0 Reasons behind Downsizing

While communicating downsizing, it is important to notify the reasons behind downsizing. The following are the reasons that have led managers to take serious action.

2. 1 Increase of Material Cost and Wages

This is one of the primary reason for due to which organization has taken decision to downsize. The slow time was mainly due to increased cost in material and payroll expenses. Previously, when company was experiencing high growth, the excess employees were hired to cater the growing needs of the organization. This has increased the payroll expenses and other

employee benefits. Similarly, as the economy is facing tight economy and poor market conditions, the cost of materials has increased. Thus, the increasing material cost is beyond control of the organization, whereas it can control its human resource cost. Thus, the organization is forced to take such action and terminate few employees.

2. 2 Reduced Productivity

Another reason behind downsizing decision is that the productivity of the organization has reduced to a greater extent as the organizational expenses are more than its sales and profits. Thus, downsizing will enable the organization to reduce its cost.

3. 0 Impact of Downsizing

The decision of downsizing is a hard decision for employees as they join organization to main part for a longer period of time (Nutt & Wilson, 2010). Although, precautions will be taken while communicating the downsizing decision to employees; however, it can have psychological effects on the minds of employees. The downsizing decision will impact employees in both ways i. e., negatively and positively. The negative psychological effects will be that the employees could lose trust in organization by seeing their co-workers unwillingly leaving the organization. Similarly, the employees may feel that they will be burdened with extra work load as the work of the victims will be done by them. This can also reduce productivity and motivation in workers. Besides this, some survivors of the organization could have feeling of despair and could experience survivor guilt that will be mainly due to the sympathy they have for the victims. Moreover, the surviving employees could develop concern of their own well-being and

might try to find job in some other organizations. In contrast, the positive psychological effects could be that the surviving employees could have become more motivated to work to increase their productivity so that in any way their employment contract is not terminated. This is also observed in many cases where especially lower employee becomes alert for his present and future work responsibilities.

4. 0 Department Manager's Plan

As the department managers will be asked to plan how they will communicate the downsizing decision to the employees, therefore utmost precautions will be taken to spread the message positively (Walter, 2010). " In any organization, " meetings" are a vital part of the organization of work and the flow of information. They act as a mechanism for gathering together resources from many sources and pooling then towards a common objective. They are disliked and mocked because they are usually futile, boring, time-wasting, dull, and inconvenient with nothing for most people to do except doodle while some opinionated has-been extols the virtues of his/her last great (misunderstood) idea. Your challenge is to break this mold and to make your meetings effective. As with every other managed activity, meetings should be planned beforehand, monitored during for effectiveness, and reviewed afterwards for improving their management" (Blair, n. d.). Therefore, the manager will plan out a meeting where the purpose will be to inquire and inform employees about the present condition of the organization which will help them to prepare themselves mentally for any decision taken by the organization. The employees will be asked different questions in the decision making process and let them come up with their

own suggestions. Only hint could be given regarding downsizing but in a positive way to check the expressions of the employees. However, the main objectives of downsizing and which employees will be terminated will not be communicated at this stage.

5. 0 Department's Transition after Downsizing

After the event of downsizing has taken place, the transition of department is often changed due to the reaction of surviving employees. The following are some of the transitions listed that might take place (Breen &Littlejohn, 2000):

- Surviving employees are worried mainly because they do not have skills and knowledge to do their expanded jobs. For this, the managers and supervisors are mainly responsible to train employees and give some time to learn the new responsibilities which will slow the overall department's progress.

- As a result of downsizing, it will take time to restore its lost productivity. Therefore, the managers must remain calm and wait for the employees to settle themselves psychologically and get more focused on work to increase their productivity.

- Employees might be afraid to come up with the energy and time to meet up the lager challenges. For this, the department managers must identify the training needs, support and resources they need and try to provide them at earliest. Thus, after downsizing, much of the department's efforts will be directed towards training.

6. 0 Other Important Information for Supervisors andManagers

After downsizing, it is important to regain the trust of employees that is lost

due to feeling of the victims of downsizing leaving the organization. For this, one of the essential elements to overcome this issue is effective communication. According to McNamara (n. d.),” Effective internal communications start with effective skills in communications, including basic skills in listening, speaking, questioning and sharing feedback. These can developed with some concerted review and practice. Perhaps the most important outcome from these skills is conveying that you value hearing from others and their hearing from you” (McNamara, n. d.). moreover, as employees will be experiencing psychological effects, therefore, the department's manager and supervisors must avoid the following sentences as discussed by McNamara, ?(n. d.).:

- “ If I know it, then everyone must know it”

- “ I told everyone, or some people, or ?”

- “ Did you hear what I meant for you to hear?”

- “ Our problems are too big to have to listen to each other!”

- “ So what's to talk about?”

- “ There's data and there's information”.

- “ If I need your opinion, I'll tell it to you”.

7. 0 Decision Process

The decision of downsizing is not good for any organization. According to Chapman (n. d.),“ Good decision-making requires a mixture of skills: creative development and identification of options, clarity of judgment, firmness of decision, and effective implementation” (Chapman, n. d.). However, due to hard times faced by an organization it becomes mandatory to take such decisions. Taking decision of downsizing is a strategic decision making

process as the organization seeks for various internal and external assessments that have led organization to take serious decisions. Moreover, the organization also searches for alternatives so that appropriate decision could be taken without affecting employees and business operations. The following is an illustration model of strategic decision making process from which the organization has undergone.

Figure 1: Strategic decision making process (Harrison, 1999)

The strategic gap identified by the company was low profitability for which further gap analysis was made. Due to increased cost of materials (external) and cost of employees (internal), the organization has decided to downsize and terminate contracts of some employees from three different departments. This decision was finalized after analyzing different alternatives.

8. 0 Challenges Faced While Making Decisions

- At the time of decision making, it was difficult to assess internal and external environment within limited period of time.
- Some of the participants of the decision making process were not clear about the objectives and reasons for making decision.
- Some of the decision making process participants were inappropriate that the management has recognized later.
- The participants lack the correct information that was required to engage in systematic discussion.
- Some of the participants of the decision-making process were giving biased discussions.

- Unclear 'criteria' to find out or take best decision

- The participant's influence or level of status amongst different participants was unbalanced.

- Time limitation to take comprehensive discussion

- The decision making process was lacking logical process that structures the different levels of the discussion

- At the time of decision making process, the facilitator of the process did not asked for feedback from different members of the group included in meeting.

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