

# Free essay on downsizing

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Working for big organizations with a handsome salary and benefits with a secured future is the dream of almost every individual. While things may go smooth in a company with a cooperative boss and preferred tasks, circumstances can unpredictably go wrong as change is inevitable. Between state's economic condition and the organization's fluctuating shares, employees can experience the worse in the form of being terminated, relocated or by undergoing a complete structural change.

Downsizing as the name suggests, is all about reducing the number of employees in an organization. Apart from simply terminating the employees, other alternatives to downsizing include getting rid of interns or volunteers, making the permanent ones contractual or part-time workers or relocating the employees. Downsizing is mainly done in the times of economic constraints; when the organization needs to cut upon cost in order to increase profits along with efficiency. Also, downsizing may result due to poor performance, company merger or economic fluctuation. Whatever the reason is, downsizing is a critical matter not only for the employee but also for the management (Applebaum, 1997). While things are deteriorating and employees are experiencing extreme stress and frustration, it is the duty of the manager to take responsibility and address this issue in relation to those workers who would be losing their jobs along with resolving the issues of those employees who stay back.

One of the best things a manager can do during the period of layoff is by becoming a resource for its workers. During such phases, the greatest fear of an employee is to lose his job. Especially in the situation where a person sees his co-workers and peers losing jobs, the fear and anxiety greatly

increases (Burke, 2011). This worsens when employees realize that they are unable to find a replacement. For this reason, it is the duty of the manager to help its workers find a new job. In line with the HR team, managers can educate those employees who are losing their jobs to update their resumes and help them in networking by conducting sessions for a financially secured future.

Communication is the key to every lock. Once the company decides to restructure its policies or is about to make a big decision, rumors start to travel. Every department will have another story. Every employee will have his own assumption. On the basis of the different news travelling around the corners, an awe of fear and anxiety will persist. In order to minimize it and to get things straight, the management must effectively communicate with its workers. There is no point hiding things which are about to happen. Instead of avoiding the situation and observing silence, the management should clarify the actual scenario and coherently convey the reason behind downsizing. It takes a great art to effectively communicate this big news to the workers. In this regard, it is highly suggested that managers should carefully and technically break such news to its employees. This will eventually limit the misunderstandings that could be created through rumors. Tactfully handling bad news will minimize the repercussions which may arise and spread throughout the organization. As a matter of fact, the managers must not only talk to those who are about to be terminated, but communication should continue even after the downsizing process has been completed as the future of the company then remains in the hands of the surviving employees. Regardless of the need and conditions in which

downsizing takes place, organizations face a number of challenges in such a condition which needs to be addressed. One such issue is the need to motivate employees. Communication will also help build trust between the workers and the management which could further help the workers prioritize the added responsibilities. Also, the management can ensure that as soon as things start to settle, the terminated employees could be re-hired. Sincerely thanking employees for understanding the current difficult situation is a good step towards boosting their morale by gaining trust and improving the work relationship (Applebaum, 1997).

Keeping employees motivated after downsizing is a challenge which the management has to face. Downsizing ends up with more work to be completed by lesser human capital. Working in such a condition would generally stress out the remaining employees. In such a situation, it is highly essential to motivate employees to work with an improved rigor and zest so that the company does not suffer any further (Jamison, 2001). One way to motivate employees is to divide the additional work amongst the remaining individuals. Quite often, extra work appears to be a challenge for employees. In contrast, it may also look like an added burden to the amount of responsibilities which they already have. To address this, organizations can reward and recognize employees for their extra contribution. This helps glorify employee efforts and motivates them to perform better.

One of the consequences of downsizing is the truth that employees often grieve over the loss of their colleagues and friends. They may continue to blame the management for this loss and may deem them wrong and unfair. Such feelings might come out in the form of anger and irritability which will

ultimately negatively impact the productivity of the employees. They may not only consider the organization's effort as wrong but would also fear that similar situation can also arise for them. In such circumstances, what the management can do is instead of clarifying their position on the stake of downsizing or being silent on the matter, they can come up with new ways to engage and boost the morale of the existing employees so that a sense of equality and recognition can persist.

Downsizing negatively impacts the morale of employees in the form of a disrupted motivation which is likely to result in political behaviors along with resentment, frustration, fear and anger amongst employees. Adhering to such a behavior reduces the customer service quality paving its way to a reduced company performance. The psychological contract between the employee and the company/management is also badly affected which reduces work commitment and the employee is therefore rarely seen to be engaged in the acts of good will.

Employees must feel that they are valued in the organization. To make this happen, it is highly necessary to specifically point out at the contributions which they make so that they are aware of their exact efforts and how it has helped the organization to successfully grow. Moreover, acknowledging them especially in front of the whole department would further boost their morale and incur enthusiasm which would be depicted through their increased performance and commitment. Adopting such measures will help alleviate the problems mounting as a result of downsizing (Applebaum, 1997).

Furthermore, during the crucial phase of downsizing, it is the duty of the manager to get an insight about the strengths of their employees. Focusing

on these strengths will enable managers to come up with new employee specific motivational methods. If individuals are given such tasks and are provided with an environment in which they can use their strengths, they will not only perform better but would also show affection towards their job. Empowering employees and giving them authority over completing tasks by setting up realistic goals would gradually enable them to experience a sense of inner fulfillment which would aid their self confidence. Managers being present and showing the willingness to support the employees in all times thereby removing obstacles will certainly motivate the employees to perform better (Bratton, 2013).

In times of downsizing when the environment is overflowing with pressure, anxiety and stress, laughter is the best option to soothe the surrounding. Managers must spend quality time with their workers where everyone can sit together, chat, enjoy and laugh along will certainly ease the difficult time. This can also be made possible via team engagement activities. When employees are losing hope and are grieving for the company's decision to terminate their co-workers and friends, there is a dire need to make the remaining employees feel that they are still valued and they need to extend relations with other survivors. Team engagement activities such as sports, trainings and other leisure exercises can further create a better transparent system (Bratton, 2013).

Hence, although having a job might be a great satisfaction for an individual, it is the issue of job security that might often worry him especially in the case unexpected organizational and economic conditions. Downsizing may occur in the case of a merger or especially during the time when a company

needs to maximize its profit and performance by cutting on their overall cost. Despite the several ways in which this could be achieved, downsizing results in extreme stress, anxiety and fear amongst those who are being terminated and those who survive this crucial period. Families break, future distorts, illnesses increase and overall well being is affected by the truth of downsizing (Jamison, 2001). Considering its importance for a company, managers can somehow reduce the mounting problems of employees who lose their jobs by empathizing and effectively communicating the whole matter. They can also help them relocate or play a role in opening a new career door for the exiting employees. Although it might be difficult to handle these employees, the management faces the real challenge in regard to those who are left behind. This is because of the underlying fact that the company's success is now dependent upon few key employees who are now left. The real essence lies in the art of motivating these employees to perform better. This can be achieved by not only coherently acquainting them with the need of downsizing, but giving them attention, empowering them, identifying their strengths, valuing and recognizing their efforts. This will therefore boost their morale and would eventually benefit the organization.

## **REFERENCES**

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