



Downsizing Mistakes

by Robert Whipple: MBA, CPLP

Every organization deals with downsizing occasionally in a struggle to survive hard economic conditions. These times are true tests of the quality of leadership. In many cases, downsizing leads to numerous problems in its wake, especially lower trust.

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, especially when draconian actions are contemplated. We are at an all-time low in terms of the number of leaders who can establish and maintain the right kind of environment. The outrageous scandals of the past few years are only a small part of the problem. The real cancer is in the daily actions of the leaders who undermine trust with less visible mistakes every hour of every day.

The current work climate for leaders exacerbates the problem. The ability to maintain trust and transparency during workforce reductions is a key skill most leaders lack. Downsizing is a unique opportunity to grow leaders who do have the ability to make difficult decisions in ways that maintain the essence of trust.

Thankfully, there are processes that allow leaders to accomplish incredibly complex restructurings and still keep the backbone of the organization strong and loyal. It takes exceptional skill and care to accomplish this, but it can be done. The trick is to not fall victim to the conventional ways of surgery that have been ineffective numerous times in the past. Yes, if you need to, you can cut off a leg in the backwoods with a dirty bucksaw and a bottle of whisky, but there are far safer, effective, and less painful ways to accomplish such a traumatic pruning.

One tool in a downsizing is to be as transparent as possible during the planning phase. In the past, HR managers have insisted that disclosing a need for downsizing or reorganization might lead to sabotage or other forms of rebellion. The irony is that, even with the best secrecy, everyone in the organization is well aware of an impending change long before it is announced, and the concealment only adds to the frustration.

Just as nature hates a vacuum, people find a void in communication intolerable. 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. The transparency works for three reasons:

1. It allows time for people to assimilate and deal with the emotional upheaval and adjust their life plans accordingly.
2. It treats employees like adults who are respected enough to hear the bad news rather than children who can't be trusted to deal with trauma and must be sheltered from reality until the last minute.
3. It allows time to cross train those people who will be leaving with those who will inherit their work.

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

Full and timely disclosure of information is only one of many tools leaders can use to help maintain or even grow trust while executing unpleasant necessities. My study of leadership over the past several decades indicates that the situation is not hopeless. We simply need to teach leaders the benefits of building an environment of trust and transparency and how to obtain them. My latest book, *Leading with Trust is like Sailing Downwind* was written to help fill this urgent need. It is full of ideas for creating and maintaining trust within organizations in good times and bad.

Robert 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 Kodak and with non-profit organizations. To bring Bob in to speak at your next event, **contact him at** www.Leadergrow.com, bwhipple@leadergrow.com or 585.392.7763

