

# Putting the Pieces Together: Managing Beyond the Restructuring

*When It Comes Time To Do More With Less*

BY JENNY SCHADE

It's a nightmare. Your organization isn't making its financial projections, shareholders are screaming and rumors are flying about potential layoffs. You attend meetings in conference rooms with blueprints on the wall, which reflect the empty offices of team members who have jumped ship before the rumored layoffs. Within a few months, a massive reorganization takes place. Mercifully, you remain. However, empty desks are stark reminders of departed colleagues.

You walk into work in the morning greeted by faces that look as if they've been through a war. Hushed conversations of twos and threes speculate about the future. The survivors have to do more with less, have reduced budgets and, although relieved to have made it through the layoffs, feel guilty at the same time.

But wait — it gets worse. You're their manager, and the leaders of your company want you to motivate the troops to be innovative, resourceful and turn around the business with far fewer resources. What do you do?



## Managing beyond reorganization: A new challenge

First off, you're not alone. Managers all over corporate America are facing a new kind of challenge — motivating employees who feel less loyalty than ever and asking them to do more with fewer resources. Today, employees have less allegiance than in the past because they have watched their colleagues, often with decades of

experience, lose their jobs. They fear it could happen again — to them. And they're right.

At the same time, employees feel pressured to perform at a higher level than ever without the resources they had in the past. Clearly, managing the post-reorganization workforce requires a unique skill set that challenges even the most experienced manager.

## Establishing an emotional connection

This is the time for powerful communications and for conveying to employees that while you can't promise them a job for life, you are offering them an opportunity to be a critical part of a stronger organization.

The key to engaging employees in the post-reorganized company lies in establishing an emotional connection. It is paramount that a company's external brand is aligned with employees who support the organization's business objectives. An emotional connection between employees and the corporation makes that external brand meaningful.

For example, our research for one client revealed the pride employees felt

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# SURVEY: Dismissing an Employee Has Lingering Negative Effects

A survey conducted among job seekers shows that supervisors are mishandling the termination process, according to the Five O'Clock Club, a New York-based career coaching and outplacement firm.

In the survey, released in July, workers across a spectrum of industries say they are unhappy with the way they're treated:

- 82 percent of the time, employees received no positive feedback about their time at the company, even those workers who had been with the company for five years or more.

- 69 percent of workers say that they would not recommend the organization to other job seekers, based solely on how they were treated during the exit interview.

- 74 percent of workers said that, in their estimation, they could have been treated more equitably and kindly during their exit interview.

In the survey, job seekers also gave feedback on what they thought would



improve the termination process. The following are some tips that the experts from the Five O'Clock Club gleaned from the feedback:

**Be honest:** Tell the employee what went wrong. People are more likely to move forward in a positive manner if they are given a reasonable explanation.

**Be positive:** Yes, a kind word helps.

**Be compassionate:** Allow for a decompression period. Let the employee have some control over how he or she

leaves. If desired, let him or her finish tasks and make arrangements for keeping in touch with co-workers.

**Be pragmatic:** Have full written summaries of severance benefits prepared with as much care as the benefit booklets handed to new hires.

**Help them move on:** Provide your employees with outplacement services that position them for the long run. ■

—Leah Elison

about the unique heritage of their corporate brand. This pride formed the basis of an emotional connection that employees felt with their now-struggling employer, and they very much wanted to help the brand regain its stature. There was a clear opportunity to engage employees to help get the beloved brand back on track by appealing to their sense of pride in working for the organization. This connection was incredibly valuable to our client and virtually impossible for competitors to duplicate.

The employee experience during most organizational restructuring involves an unsettling lack of control. Many employees fear losing their own

jobs or at least sense uncertainty among colleagues. Productivity is drastically reduced. In fact, the employees we interviewed acknowledged that almost nothing gets done during a restructuring. It is therefore critical for managers dealing with a restructured environment to help employees feel empowered in restoring success to the organization.

## Recommended guidelines and interventions

My agency has interviewed more than 1,000 employees during reorganizations and recommended appropriate interventions for engaging and motivating staff. While we work closely

with clients to design interventions and communications plans that meet their specific needs, the following general guidelines apply to many different settings.

These will be useful both to company management and to the communications professionals charged with conveying information about the new organization to employees:

- **Take a pulse check.** Find out exactly what you're dealing with — the issues, liabilities and opportunities (yes, there are opportunities). While the corporate climate has been grim, many employees will acknowledge changes in the organization that they consider inspiring. Identifying those



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and focusing on them in early communications will help you get on positive footing quickly.

- **To check the pulse, engage a professional researcher or facilitator.** For a subject such as reorganization, you need a professional trained in interviewing people about sensitive topics to conduct confidential focus groups or discussions. While it may be tempting to ask your communications or human resources professionals to fill this role, it's worth the investment to retain a credible outside professional interviewer. After all, how likely is it that employees will talk honestly about the aftermath of reorganization with someone they know represents the corporation?

You need a skilled moderator who knows how to help employees speak openly while obtaining the input you need to move the business forward. This isn't a gripe session; it's a work session designed to identify how to mobilize employees most efficiently.

In fact, our clients find that the benefits of the research begin as soon as the sessions are announced. Again and again we hear, "I'm impressed that they've hired you to talk with us. That tells me they do care." Of course, it's critical to also follow up on identified issues.

- **Get some feedback on your management style.** Include yourself as a topic for internal focus groups or interviews. Find out if people trust you and how you come across as a leader. If necessary, get coaching to improve your effectiveness.

Yes, the feedback might hurt for a minute or two. But hearing it will also be one of the most valuable experiences you'll ever have. In our interviews for one organization, we learned that the firm's president was perceived as not caring about employees and just push-

ing ahead with his own agenda. As a result, his staff didn't trust him. The reason for this perception? The executive didn't miss a beat after an employee shared a concern but proceeded to rapidly fire back his opinions. We coached this client to practice reflective listening, waiting for a moment and acknowledging what he'd heard. His comments were much better received going forward, and he gained trust among his employees.

- **Use research findings to craft communications and key messages.** One client had a corporate initiative along the lines of "The New Phase," which employees identified as synonymous with layoffs. In fact, staff had referred to a laid-off employee as "phased out." It was critical to understand this perception so that effective messaging could be developed as the corporation moved forward.

- **Don't overreact to what you hear from employees.** Although you are seeking employee input, keep it in perspective. A corporation is not a democracy. You're not seeking employee approval on the new management team or company direction. You are exploring employee perceptions and checking the pulse to determine the most effective ways to communicate internally.

What you learn will be invaluable for developing an effective communications plan and presenting information in a clear, compelling way. A negative employee reaction to an initiative doesn't necessarily mean you scrap the program. It indicates that you need to educate employees about what you're doing and why.

- **Talk to the troops.** Give employees an opportunity to voice concerns and ask questions through one-on-ones with managers, department get-togethers and town-hall meetings.

When addressing employees, be straightforward. Begin by acknowledging that it has been difficult. Thank them for their support. Tell them they are valued and you want to hear from them. Then, and only then, tell them about the "new" organization.

In addition, while it's important to prepare for such sessions, don't give extensive PowerPoint presentations or read aloud from scripted Q-and-As. They create barriers to interaction with employees and detract from the open and honest communication environment that you want to create.

- **Address issues honestly.** If you ask for employee input, summarize key findings and articulate your plan to address employee concerns. Have senior management announce the plan to get feedback from others. After hearing about findings from our interviews, one management team member of an organization struggling with some serious internal issues announced to his employees: "I'm ashamed. How did we get here?" When I heard him, I knew he was going to triumph over the situation. He was willing to deal honestly with the issues and with his own employees to make improvements.

- **Ensure that all supervisors in your organization are making it a priority to both listen and talk to employees (two-way communications).** An employee's most trusted information source is his or her immediate supervisor. It's absolutely critical that supervisors know that communications are a priority for the organization. If you sense that a supervisor needs communications training, arrange for it. While it's a well-known fact that managers often get promoted for business reasons that don't always include communication skills, that's not an excuse for things to stay that

## The Next Worst Thing to Being Laid Off: Delivering the Bad News

The brand manager across the desk was livid. "Know how I found out about the layoffs here?" he said. "Last Tuesday morning at 6:30, I'm on the StairMaster at our company gym and I hear on CNN that we're laying off 10 percent of our work force and closing this location."

He laughed bitterly. "It's not about me — my job is fine. The brand I manage is one of the top performers in this company. In fact, my supervisor offered me a five-grand bonus to stay. But I don't care. I'm so out of here. You just don't treat people like that."

Hewlett-Packard. Starbucks. General Motors. Hanesbrands. It seems almost every week this year, across industries and locations, U.S. organizations announced impending job cuts.

The way that information is conveyed to employees has a significant impact on both departing employees and those who remain with the organization.

Every exit has an audience that

includes both dismissed employees, who will join other companies, as well as colleagues who stay and draw their own conclusions about how the company values its team members. And they all talk. If you demoralize your work force through poor communication, you're going to be left with the "working wounded."

The following are essentials for announcing staff reductions:

- **Tell employees first, working in collaboration with your legal department to ensure regulatory compliance.** Show respect for employees by informing them about layoffs directly. No one wants to learn about job losses from the media. When it comes time to dismiss individual employees, deliver that news personally.

- **Communicate on an ongoing basis, focusing on two kinds of information.** 1) Have senior management provide information about the organization's "big picture." It's important to tell the whole story —

why is this happening now? 2) Direct supervisors to give employees more personal information about what the announcement means for their jobs.

- **Take responsibility for the underperforming business.**

Starbucks CEO Howard Schultz's letter to employees about impending layoffs last July attributed the company's difficulties to "poor real estate decisions that were made, coupled with a very troubled economy." Bravo to Starbucks for acknowledging that its quest for expansion clouded its judgment in site selection.

- **Ditch the PowerPoint and show your human side.** The Carat media agency learned this the hard way in September when its chief people officer mistakenly e-mailed an internal "right-sizing message" PowerPoint presentation intended only for senior managers to the entire company. Employees learned of impending layoffs when they read the exit scripts that had been prepared for them. ■ — J.S.

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way. You'll pay for it in lost productivity among frustrated employees.

- **Get out of your office.** Walk around. Make an effort to get to know employees. We hear in our focus groups that employees trust and want to work with managers who see beyond the work that they do. As one employee noted, "I want to work harder for a manager who makes an effort to get to know me."

### Creating internal brand advocates

While managing post-reorganization teams can seem daunting initially, this is the most critical time to

engage employees in the organization. Beyond employees' primary functions, they also serve in another vital role — they are advocates for your brand. Helping them understand your organization will lead to improved results among external stakeholders as well. Simply put, engaged and motivated employees who understand your brand translate to happy customers.

After all, a company can devote unlimited advertising proclaiming that it is customer focused, but nothing conveys this more clearly than the customer-service hotline or the reception-

ist's greeting. Supporting employees so that they are equipped and motivated to promote the organization at every point of contact with outside audiences may be the most important and effective ingredient in building market share. ■

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