

# **Survivor Syndrome: Key Considerations and Practical Steps**

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# Summary

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Despite the relative lack of empirical work about Survivor Syndrome, there seems little doubt of its existence, and the challenges it poses to not only the HR function, but also the organisation as a whole. Strategies for tackling such an issue are highly organisation-specific, but there are several overriding themes and considerations that may help inform approaches to current, and future, organisational change.

## Planning for change

Where possible, the planning stages prior to any organisational change should pay appropriate attention to:

- **awareness of current economic climate** – so that any organisational change is seen to have a sound business reason, rather than a knee-jerk panic reaction
- **fair and appropriate selection processes** – to minimise uncertainty and ensure people are treated with respect and dignity
- **transparency of processes** – to avoid any suspicion of a hidden agenda
- **strength and style of leadership** – so that people know who is in charge, and who is prepared to take responsibility
- **evoking and maintaining trust in the organisation** – by being open and honest with employees and other stakeholders
- **the value applied to those who leave, and those who remain** – your organisational change will bear fruit only if those who remain feel valued, involved, trusted and empowered to do their best.

## Communicating change

Regardless of the circumstances, the manner and frequency with which this is effectively communicated is likely to have far-reaching consequences. Key steps may include:

- giving advance notification of reasons and processes
- being open and honest

- making senior management more accessible
- encouraging employee participation at all stages possible
- maintaining a consistent information flow (perhaps using a variety of methods)
- ensuring fair and transparent selection processes (*eg* for redundancy, early retirement, moving location, *etc.*)
- communicating provisions made for those who leave, to those who remain (as far as appropriate)
- over-communicating, and beginning early
- giving Realistic Downsizing Previews (see main text for more information)
- paying particular attention to the needs of line managers, who will be coping with their own and their staff's anxieties and stresses
- communicating understanding, appreciation and thanks for the efforts of those who remain, and giving help and support where needed.

# Survivor Syndrome

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## 1. Introduction

This paper has been written for the members of IES' Motivation, Well-being and Retention Research Network. It looks at the causes, prevalence and potential cures to a widespread after-effect of organisational change, known commonly as 'the Survivor Syndrome'. As many organisations are becoming increasingly aware, the potential consequences of downsizing, de-layering or restructuring can have a dramatic effect not only on those employees who leave, but also on those who remain with the organisation.

Relatively little empirical evidence exists at this time regarding the susceptibility of individuals or organisations to experiencing Survivor Syndrome. For organisations planning significant changes to their workforce, a safe assumption is that it will, to some extent occur, and will affect the future of not only those individuals involved, but the company as a whole.

This paper seeks to address several key issues, including:

- what is Survivor Syndrome?
- what are its symptoms?
- where and why does it occur?
- when it *doesn't* occur – what are the reasons?
- can organisations minimise the risk of Survivor Syndrome?
- current strategies for tackling Survivor Syndrome including:
  - appropriate planning and delivery of the change programme
  - fair and transparent selection of redundancies
  - effective communication strategies – over-communicating change rather than under communicating
  - the influence of leadership strength and style
  - the Realistic Downsizing Preview (RDP) model – what is it, and how can it work for your organisation?
- example case studies – putting it into practice.

## **2. The realities of organisational transition for employees and management**

Recent decades have seen turbulent domestic and global economic trends with dramatic effects on the shape, nature and direction of many modern organisations. Relatively few escaped the influence and effects of the economic crises experienced worldwide throughout the latter part of the twentieth century, a trend that many predict will prevail well into this new millennium. It is therefore imperative that the mechanisms and processes by which such change is initiated and handled are appropriately designed to meet not only the financial needs of the organisation, but also the ongoing needs of arguably their most valuable asset – their employees.

Organisational change – encompassing downsizing, ‘right-sizing’, restructuring, de-layering and outsourcing – is a prevalent force in organisational development with wide-reaching consequences for employees and management alike. With an increasingly mobile and flexible labour market, organisations need to be aware of the issues and repercussions that organisational change poses, not only to their bottom line, but also to the employees affected by such change. As a highly emotive issue, the manner in which organisations recreate their workforce can have immense implications for terminated and surviving employees alike. Recent research and consultancy in this area have been concerned with the effects of organisational change, particularly through downsizing and redundancy, on those staff who remain with the organisation – ‘the survivors’. The primary purpose of this paper is to review prominent research relating to the after-effects of such change, define and examine the existence of Survivor Syndrome, and assess how this may be prevented, moderated and ultimately eliminated.

Key issues:

- the prevalence, nature and impact of downsizing
- redundancy as a downsizing tool in the domestic and international markets
- impacts of redundancy for the organisation and employees
- definition of, and evidence for, the Survivor Syndrome
- downsizing strategies – some key examples
- future research focus points.

## **3. Background: downsizing and redundancy**

Downsizing is continuing to be a dominant force in organisational development in the 21st century, as companies seek to respond to

increasing market pressures, and improve strategic competitive advantage. Despite this, Cameron (1994) defined downsizing as:

*'probably the most pervasive yet understudied phenomenon in the business world'* (cited in Hickok, 1995).

The study of the complete downsizing process is of major interest not only to organisational development specialists, but HR professionals and employees of all levels. In this area, the HR function has the opportunity to make a significant impact on the 'bottom-line' by planning, administering, and appropriately maintaining the process of separation between organisation and employee at all levels and stages. The key objective has to be minimising the personal, financial and organisational pain in the transitional phase, in order to achieve the objectives of such change. Kozlowski *et al.* (1993) differentiated between two distinct approaches to downsizing: proactive and reactive. Whilst proactive downsizing is seen to be both planned in advance and also integrated with a wider set of business objectives, reactive downsizing is characterised by 'last resort' cost-cutting exercises, and largely results from long-term lack of attention to key business issues.

Downsizing uses the purposeful loss of people from the workforce to achieve a variety of business objectives, and may combine redundancy, early retirement, outsourcing and attrition. With its continuing prevalence comes a growing need for appropriate management of the decisions, processes and support systems involved. The business objectives of such restructuring may be compromised by inappropriate downsizing methods and ongoing management of not only those employees who are terminated, but those who remain in employment. Indeed in recent years a focus of many organisations approaching such changes has been the after-care of *all* staff members, regardless of their employment status; a focus which may prove vital to the long term costs and benefits of this type of organisational change.

Severe economic recessions may have been responsible for downsizing initially, but the trend continued after the major market depression in the late 1980s. This suggests that reasons other than responding to external threats play a role in such organisational decisions. Niendstedt (1989), cites five major motivators for implementing a downsizing programme:

1. cost reduction
2. productivity improvement
3. responding to competitive threats
4. consolidation after a merger or acquisition
5. increasing efficiency.

However, research also indicates that these programmes, regardless of their motivations, are often repeated; 70 per cent of organisations that have implemented redundancies in a given year repeat the process within the following twelve months. This suggests that response to external threats and economic trends cannot be the only precursors for the ongoing downsizing of organisations globally. By some measures, downsizing has failed abjectly as a tool to achieve the main purpose, *ie* reduced costs. According to a Wyatt Company survey covering the period between 1985 and 1990, 89 per cent of organisations that implemented downsizing programmes reported cost reduction as their primary goal, while only 42 per cent actually succeeded in reduced expenses (Wyatt, 1993, cited in Hickock, 1995). Furthermore, a large US career services company found that of the 450 companies that had downsized between 1997 and 2000, only 21 per cent claimed to have done so for financial reasons, whereas in 1994 this figure lay at 78 per cent. In contrast, 34 per cent of firms planned to downsize to 'strengthen their future position' and a further 21 per cent saw these staff cutbacks as a method of more appropriate staff realignment (Lee Hecht Harrison, 2000, cited in Reed, 2001).

The realignment of staff has become known as 'rightsizing'. It is an option facing many firms that are keen to retain their internal human capital, but may still be required to reduce workforce numbers in order to utilise both personnel and organisational resources more appropriately, and ultimately improve their competitive advantage. A shift is apparent, away from drastic downsizing programmes in response to external economic threats, towards continual and strategically planned 'right-sizing' programmes. Although these programmes are now a significant part of modern business practice, for quite different reasons than the recession-driven sweeping redundancies of previous eras, the reality of the consequences for individuals may not be that disparate.

Regardless of the motivations and methods of such organisational change, it is likely that organisational outcomes will never be purely financial. When implementing such procedures, an organisation may achieve the goals of increased efficiency and the overall reduction of costs, but alongside these outcomes, survivors at both an organisational and an individual level may well feel adverse effects. These may include (but may not be limited to):

- a decrease in morale
- increased absenteeism
- reduced job motivation
- reduced organisational commitment and employee engagement
- risk avoidance
- reduced speed of decision making
- a decrease in productivity

- increased levels of workplace stress
- a greater task focus by managers (possibly associated with an increase in harassment or bullying behaviour by managers).

Redundancy, both voluntary and involuntary, forms the basis for many downsizing programmes, with 1.6 million redundancies in the UK between 1990 and 1992. Current UK rates run at approximately 200,000 per annum. Global redundancy figures lie in the region of 43 million since 1979, with 50 per cent of employees world-wide having a significantly higher chance of becoming a redundancy victim than experiencing a violent crime.

Recent evidence from the Labour Force Survey (2001) indicated key trends in UK redundancy rates by broad industry group between 1992-2000 (see Table, below).

'In Spring 2000 the rate of redundancies per 1,000 employees was highest in the manufacturing sector (16 per 1,000 employees) and lowest in the services sector (five per 1,000 employees). Overall, the redundancy rate fell in the early 1990s but has remained fairly stable since 1994. However, the trends are somewhat different for the main industrial groups. By far the highest redundancy rates in 1992 were in the 'other' sector, which includes the construction industry, where the rate was 30 per 1,000 employees. Redundancy rates in the services sector have gradually fallen over the period. People in the craft and related occupations, and plant and machine operatives experienced the highest redundancy rates throughout the period averaging 15 and 13 per 1,000 employees respectively.'

The effects of separation between organisation and employee, whether forced or voluntary, are wide reaching, and span far beyond payroll and bottom line figures. Organisational change, of any nature, evokes a host of business and personal issues, and the implementation of redundancies makes all employees subject to these issues, not only those who have been terminated. Attention has been paid to how redundancy affects those who leave the organisation, but a recent surge of interest has focused on those

#### **UK redundancy rates by broad industry grouping (rates per 1,000 employees)**

<b>Year</b>	<b>Manufacturing</b>	<b>Services</b>	<b>Other</b>	<b>All</b>
1992	15	8	26	11
1993	14	7	15	9
1994	11	6	16	7
1995	10	7	13	8
1996	11	6	19	8
1997	10	6	18	7
1998	12	6	10	7
1999	16	5	17	8
2000	16	5	11	7

*Source: Labour Force Survey, 2001*

who stay, and how the experience of the so-called 'survivors' affects the organisation.

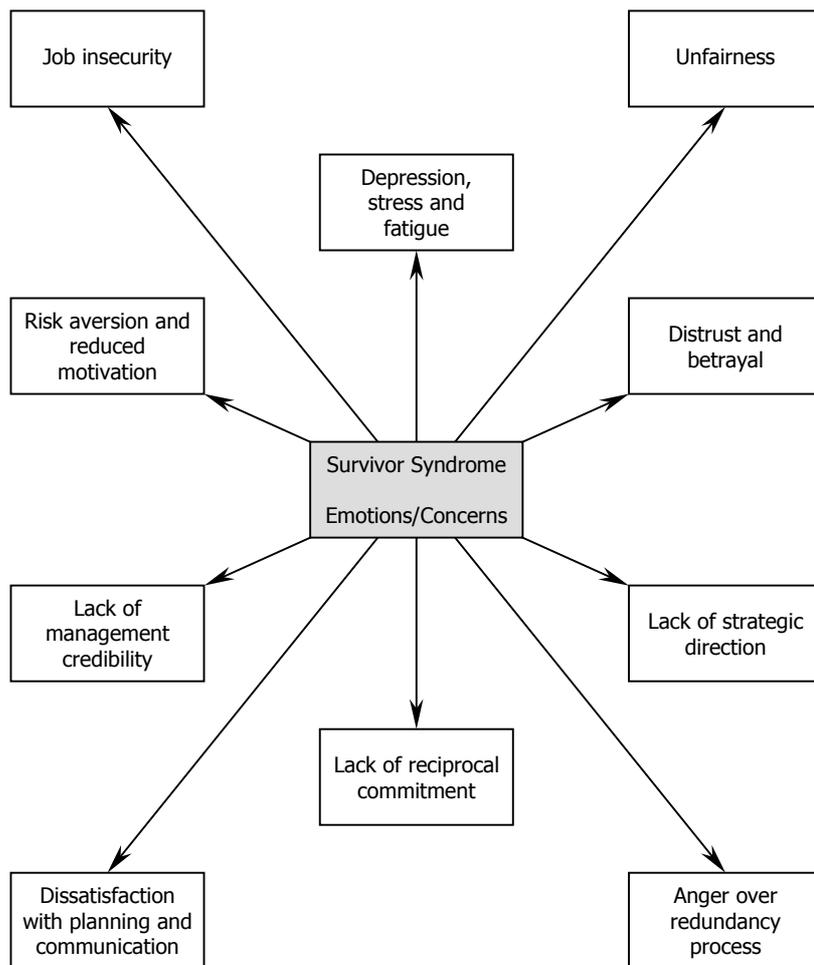
## **4. Survivor Syndrome: definitions**

The phenomenon that has come to be known as Survivor Syndrome is seen by many as a prevalent consequence of downsizing and restructuring, and denotes the emotional, psychological, and organisational repercussions faced by those who remain employed, or 'survive' the redundancy programme. The survivors in this sense, as with any traumatic event, are likely to experience a range of adverse effects. Effects may include impaired productivity, damaged social networks, diminished social support, lack of trust and organisational commitment, negative attitudes, and elevated work-life balance conflicts. Typically, these will centre around grief for the loss of colleagues, combined with guilt for surviving, and fear and apprehension for the future. While significant attention has been paid to the methods used to manage those employees who are released from the organisation, and rightly so, until recently little focus had been given to the needs and after-effects of those left behind. Immediate priority is often given to the appropriate methods of selecting and terminating employees, and whilst this is vital, organisational awareness of those who remain in employment is imperative if the objectives of the restructuring are to be achieved.

Noer (1993) proposed that those employees who survive employment termination during a downsizing programme are more the victims than those who leave are. Arguably, in many past downsizing programmes, while comprehensive provisions are made for departing employees – severance packages, relocation, outplacement of their positions, in-house advisory services, and external counselling – relatively little is provided for those who continue to work within the organisation. While the legal and moral duties of the organisation dictate to a large extent the provisions given to those made redundant, no guidelines exist currently as to how the workforce as a whole is to be treated.

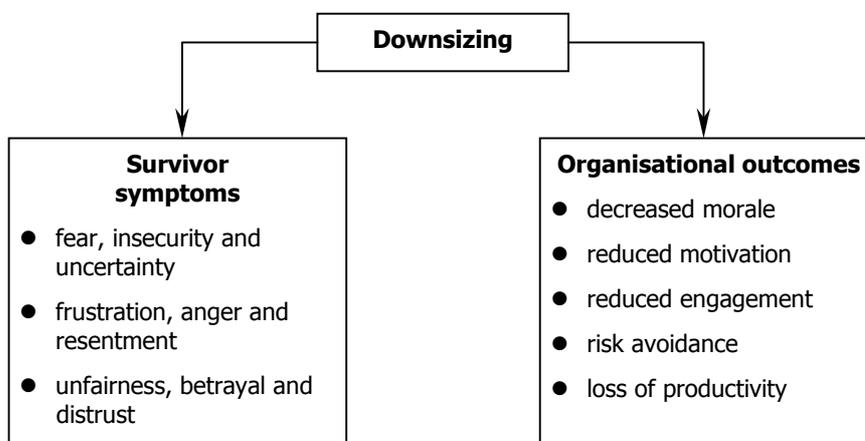
Thornhill and Gibbons (1995) illustrated that survivors are likely to judge the commitment and concern for terminated employees as a reflection of what they may experience if and when further downsizing moves are made. It is therefore imperative to maintain thorough communications to all groups of employees. In line with this, Leana and Feldman (1994) found that there are rarely any negative organisational consequences for giving early advance notice of the changes that are planned. This relates to organisational trust and commitment, whereby if employees feel well advised of plans, developments, and indeed modifications to plans, they are intuitively more likely to feel trusting of their employers, and to maintain a higher level of commitment to the organisation.

**Surviving downsizing: Noer's (1993) emotional clusters of redundancy survivors**



Source: adapted from Noer, (1993)

Reactions to workforce reduction are highly individualised, as is the manner in which the process is handled. Typically, researchers and consultants have observed several key behavioural outcomes that are often experienced by survivors:



While Survivor Syndrome is typically thought to be born out of feelings of guilt at having survived the redundancy, coupled with anxiety and insecurity relating to future layoffs, it is possible that survivors may feel other emotions. An alternative model would propose that the elation felt at having kept their employment may lead to other negative organisational outcomes. Redundancy survivors may feel that they, and their position, are necessary to the organisation, and as such become increasingly aware of their importance within the company. It is possible that such beliefs may lead employees to feel that:

*'if they are deemed important enough to stay, they are important enough to be rewarded'* (Reed, 2001, p.110).

Perhaps the paradox of survivor guilt and survivor glee is one that needs careful attention from HR professionals, as they are not necessarily mutually exclusive and pose strong challenges to the way in which downsizing programmes are designed and implemented.

## **5. Survivor Syndrome: universal existence?**

Research completed by Baruch and Hind (2000), indicated that whilst survivors may experience the effects of downsizing as profoundly as those whose employment is terminated, this may not be a universally applicable concept, and indeed may not exist across all business situations or industry sectors. In those organisations they studied that had implemented significant restructuring programmes (involving at least one phase of redundancy), employees' perceptions of their company's openness became more positive, as did the overall levels of satisfaction; this was contrary to the expected lower levels of trust. In addition, the study revealed that employees believed that organisational integrity and morale were improving, which was underpinned by the widespread belief that management had adequately and appropriately explained the process. Baruch and Hind (2000) went on to suggest that there may be a personality-driven predisposition to the symptoms and behaviours of Survivor Syndrome. While this research question is yet to be addressed, Latack and Dozier (1986) explored how redundancy at the individual level can be a turning point for real proactive career development, yet for others may causes extreme stress (Cooper and Payne, 1990).

Two key theories seek to explain the existence (or otherwise) of the Survivor Syndrome – Becker's Side Bet Theory (1960, cited in Baruch and Hind, 2000), and Burke's Identity Theory (1991). Both view attitudes as the antecedents to behaviour and actions, and therefore attitudes towards the workplace and job roles will ultimately have a considerable impact on performance levels.

Becker's Side Bet Theory proposes that individuals make psychological and emotional investments in the organisation, which are lost upon leaving employment. Over time, the cost to the individual of leaving therefore increases as the investments increase. Unless the profits or gains of leaving can outweigh these costs, an individual will be strongly motivated to stay with the organisation. However, when the costs of remaining in the organisation's employment are considered to be higher than the benefits of leaving, the individual is less likely to experience positive job-related attitudes. With reference to post-downsizing experiences, this theory can be applied: those individuals with larger 'organisational investments' are less likely to wish to leave, and therefore may be more dramatically affected in the aftermath of downsizing, as their core concept of where they were placing their investments will be challenged. Little empirical evidence exists to support this model in relation to organisational outcomes. Intuitively, Becker's Side Bet Theory would propound that employees' psychological investment in the organisation would increase in relation to age and tenure, which at a time of restructuring would see older and longer serving employees feeling the effects of Survivor Syndrome more acutely. However, this may not be the case, as employees at a later age or stage in their career may view the change more positively and welcome an early retirement.

In contrast, Burke's Identity Theory (1991) is based on individual differences in the importance placed on a given job. It states that the impacts on well being from external stress factors (such as downsizing or organisational re-engineering) may be moderated by the psychological 'salience', or relevance, it has to the individual's role identity. In line with this, Identity Theory places significant importance on the social and psychological factors affecting employees' organisational identification. Ultimately this emphasis will have implications as and when organisational change occurs, and suggests that the greater the importance an individual places on their job as a source of self-identification, the greater the personal and psychological impact of any change in this job will be. There is strong evidence to support this approach, which seeks to explain where and how differences in the experience of survivors may occur. Frone and Major (1988, cited in Baruch and Hind, 2000) successfully applied the Identity Theory within a workplace setting.

Gender differences in survivors' experiences is a similar issue with pertinent questions posed by many researchers. In line with both Side Bet Theory and Identity Theory, (cited in Baruch and Hind, 2000), found support for the view that females may experience the effects of Survivor Syndrome to a lesser degree than men do. This was illustrated in the way women were found to use a wider span of reference points than their male colleagues for making evaluations about their working lives. This meant that women were less negatively affected by organisational

restructuring, whilst men tended to feel the after-effects more acutely; it was suggested that this was related to their method of processing the information regarding the changes. Men were found to have more structured and narrower planes of reference for assessing the implications of organisational change on their sense of personal identity. Whilst this area clearly requires significantly more research, it may be of interest to assess whether industrial sector differences exist in the prevalence of Survivor Syndrome, and indeed whether this is linked in any way to higher proportions of males or females employed in these sectors.

## 6. Survivor Syndrome: facing the challenges

The diverse nature of organisations and their restructuring programmes makes it impossible to find a prescriptive 'cure' for Survivor Syndrome. However, there are frameworks developing that may be adaptable to a range of different companies in a variety of industry sectors.

The process of managing employees through the transition phase can often involve guiding survivors through the organisational and emotional outcomes, as opposed to trying to avoid or prevent them. The effective management of this transition, from conception to completion, is undoubtedly key to reducing the potentially negative effects on both terminated and surviving employees. Effective management should enable any changes to proceed smoothly, with a minimum of disruption to employees and to the organisation as a whole. In dealing with the difficult realities of downsizing, management's responsibilities increase considerably, and interpersonal communication becomes an essential tool.

Baruch and Hind (2000), illustrated a case where an organisation, having experienced significant downsizing and restructuring, did not appear to be affected significantly by Survivor Syndrome. Possible reasons for this may be useful for consideration when designing and implementing a downsizing programme, and included:

- awareness of the current economic climate – to what extent is downsizing a major part in current business trends, and how accepted is it as a business strategy tool?
- fair and appropriate selection of those made redundant
- awareness of the level of managerial trust in the organisation, both before and after downsizing
- processes conducted by strong leadership
- values applied to employees who remain with the organisation.

Appelbaum *et al.* (1999, p.429), state that the most common cause of poor organisational performance after downsizing or

restructuring is that the organisations may be successful in anticipating and preparing for the needs of employees who are released. However, they may not be prepared for the low morale, and consequent lower productivity, experienced by the survivors. Additionally, when an organisation needs their staff to 'be at their best', invariably they happen to 'be at their worst'. Band and Tustin (1995) identified the following issues to be considered strategically prior to any downsizing programme:

1. Define and analyse the organisation's competitive position (and the impact of this on the organisation's strategy, culture and stakeholders).
2. Determine the appropriate workforce structure to sustain competitive advantage.
3. Conduct a skills needs analysis.
4. Match existing skills of the current workforce to skill sets needed.
5. Evaluate the current HRM practices.
6. Identify critical HRM areas of concern.
7. Determine alternatives to address key HRM issues (*eg* training, redeployment, multi-skilling, redundancies, recruitment freezing, performance management *etc.*).
8. Appropriately consider the positive and negative outcomes of the alternative (including planning and implementation issues, and costs and benefits).

## **Communicating change**

The nature and method of communication shapes a large part of an organisation's culture, a fact that can become even more apparent in times of change. The way in which change is communicated and carried out can profoundly affect the future of the organisation, and the well-being and commitment of its employees. Communication may, to a large extent, determine employees' perceptions of the current situation, and the future consequences. It is not surprising that many of the strategies designed to reduce or ultimately eliminate the effects of Survivor Syndrome focus on the way in which the entire downsizing process is communicated.

1. Research indicates that advance notification is highly effective, allowing employees time to process the information, and the likely consequences. Leaders should look to provide employees with as much open and honest information as possible, to help in alleviating worker insecurity. There is little evidence to suggest the opposite, *ie* that early timing of information has any detrimental effect on either those employees who are retained or terminated. Making senior

management more accessible during this time plays a crucial role in the communication process.

2. Encouraging high levels of employee participation at all stages of decision-making also pays dividends. Active involvement enables all employees to view themselves and their input as valuable to the organisation, which will in itself enhance engagement and commitment. As and when changes are made, employees who have felt involved in the process are less likely to react as adversely as they are more likely to perceive a certain level of control in and ownership of the process.
3. Advising terminated and retained employees of the provisions that are to be made for *both* groups of staff is essential. Those who remain with the organisation will not only be concerned for the fair treatment of their former colleagues, but, in an atmosphere of insecurity, are likely to be concerned about how they may be treated if further staff reductions are made.
4. A fair and transparent selection process for those who are made redundant is also essential. By maintaining a policy whereby redundancy selections are made purely on the basis of business objectives (*eg* if restructuring aims to increase productivity, the least productive members of staff should be selected), and communicating how these selections have been made, it will instil more organisational trust from employees – who will, at some level, appreciate the way in which decisions have been made. Where there is ambiguity, anxiety will become the dominant emotion felt by all employees, including those whose talent and services the organisation is looking to retain. Where the selection procedure is transparent and is communicated effectively throughout the organisation, remaining employees are more likely to accept redundancies as a difficult but necessary measure.

The crucial role that the HRM function plays in all these processes is clear. What is less clear is the level of training and experience management and executives have to deal with such scenarios. As Lamsa (1999) stated, there is a distinct lack of knowledge in managerial and also leadership literature concerning this area. The implementation of any downsizing programme largely depends on the organisation's culture, and the economic climate, yet the key to its success is widely viewed to lie in the communication process. The *Human Resource Management International Digest* (2002), advocates the need to 'over communicate'. Information about the current and future situation should be given to all employees frequently, and through various channels. Moreover, it has been recommended that employees should be made aware of the issues facing the organisation even prior to the decision to downsize.

Sadri (1996) developed a five-step communication programme designed to assist staff at all levels and areas of responsibility to plan and to adapt to organisational changes:

- Conduct any job cuts in a procedurally fair manner. This will assist in ensuring that further distress regarding additional layoffs will remain at a minimal level and that work performance will remain at a higher level.
- Open communication should be encouraged at all levels and stage to promote fairness, perspective transparency, and the threat of future changes.
- Communication should be targeted at those 'survivors' who were most highly professionally and personally attached to released employees.
- The organisation should seek to neutralise the effects of job changes by demonstrating to the survivors that released employees are being provided for, both in terms of financial compensation, and emotional support and career guidance, relocation/retraining *etc.*
- Development of a confidential, independent, voluntary employee assistance programme, including counselling/careers guidance, which is funded by the company.

Kets de Vries and Balazs (1996) argued that contrary to the evidence (that suggests the importance of effective communication in the downsizing process), executives and managers frequently *reduce* the amount of open communication during the process. This may be driven by corporate insecurities, the fear of lowering morale and productivity, and exacerbating corporate problems. Whilst this reaction is understandable, it is highly inadvisable, and may in fact discourage employees to co-operate for the 'general good' of the organisation.

## **7. The Realistic Downsizing Preview — Appelbaum and Donia (2001)**

With communication identified as a key factor in the success of a downsizing strategy, Appelbaum and Donia developed the Realistic Downsizing Preview (RDP), which was '*proposed as a downsizing communication package*'. Based on the Realistic Job Previews (RJP) developed by Wanous (1973, 1978, 1980, cited in Appelbaum and Donia, 2001), the RDP seeks to provide a framework for eliciting more positive responses from employees involved in the downsizing process, by providing a framework for communication prior to the event. This approach proposes that individuals are able to form more appropriate coping strategies when they are aware of events in advance, rather than attempting to deal with surprise changes. The approach seeks to alleviate the pain of downsizing by preparing the organisation for the potential events and emotions, which may occur, and as such is a proactive, rather than a reactive method.

The RDP is designed from the same perspective as its predecessor, the RJP, which attempts to introduce new employees to the actual realities of the job they are to occupy – which in turn creates more realistic expectations and less negative experiences once the job begins. By giving small amounts of the realities of the job and the organisation in the recruitment stage, initial expectations are lowered, as is subsequent employee turnover (Premack and Wanous, 1985). Employees who receive RJP tend to experience higher levels of job satisfaction and organisational commitment, coupled with reduced stress levels. In a similar way, the four key components of the RDP aim to provide employees with as accurate and honest a perspective as possible with regards to upcoming changes, and are intended to reduce the negative impact of downsizing throughout the organisation, and result in the achievement of organisational objectives.

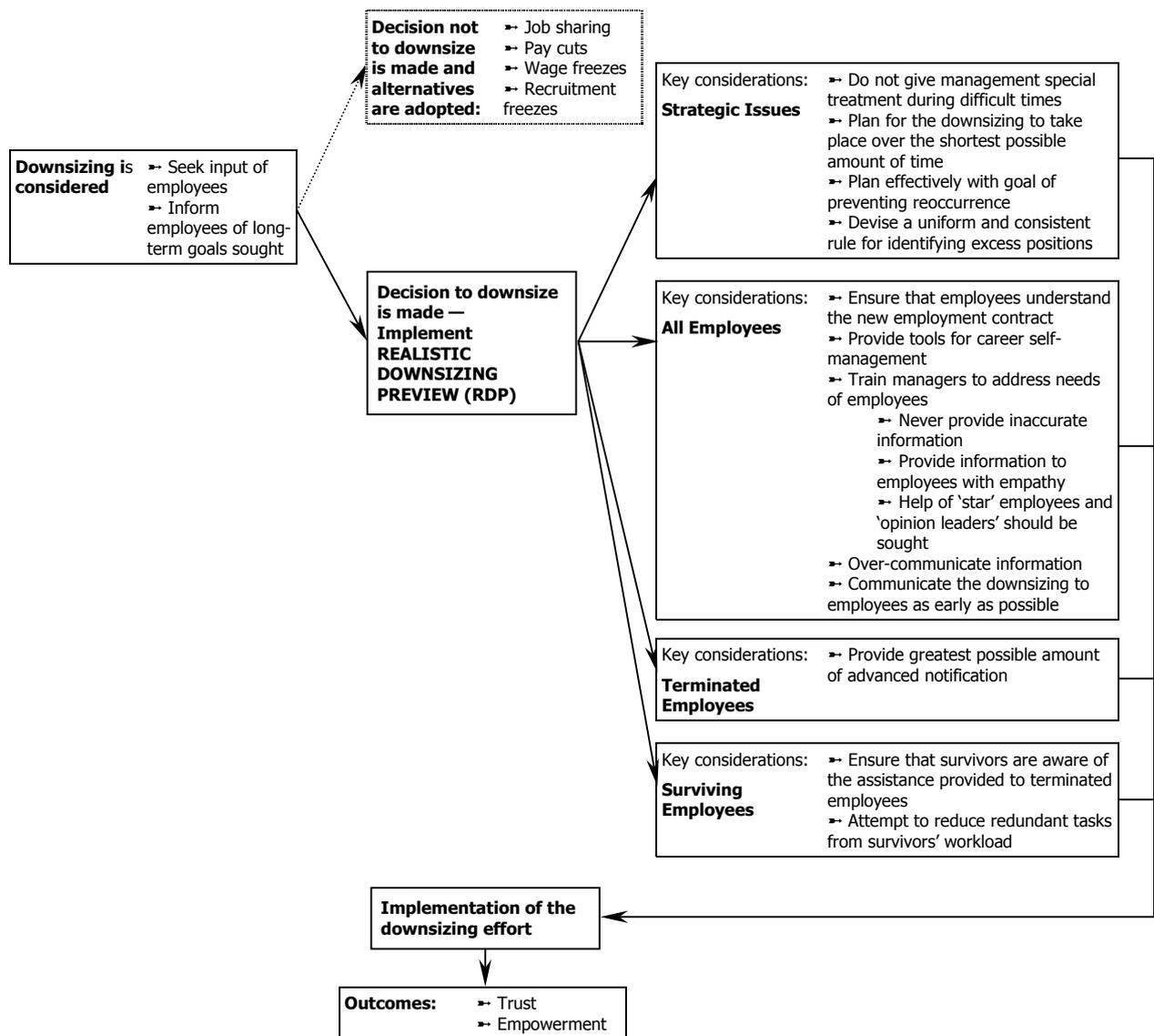
A fundamental objective of the RDP is to directly affect the perceptions of fairness in the downsizing process, and the perceptions of future treatment of both those who remain with, and those who are released from, the organisation. This approach is based on promoting timely, accurate, and thorough communication, coupled with dignified and respectful treatment of all employees regardless of their employment status. The RDP seeks to re-establish the psychological contract between surviving employees and the organisation, and, due to the continuous involvement of all employees at various stages of the downsizing process, they are considered more likely to perceive themselves as active stakeholders in the process. Clearly, the nature and process of communication will vary considerably dependent on the corporate culture and structures already in place, but the focus on honest, transparent and forward-looking information flows should not differ between organisations. Appelbaum and Donia propose that the RDP should be initiated immediately after the decision to downsize is made, and indeed many argue that it should form the integral framework for the entire downsizing procedure, from conception to full implementation.

Fundamentally, RDP involves four types of key issues: strategic issues, issues for all employees, issues for terminated employees, and issues for survivors.

### **Addressing employees' issues**

Appelbaum and Donia make clear distinctions between the needs and issues facing the terminated or released employees, and those of their surviving peers. Such needs have to be identified, approached and addressed in different ways, but should form the overall strategy for managing employees for the organisation as a whole. The relationship between the organisation and both groups of employees will be altered in a diverse and far reaching manner, and it is this change that requires considerable attention in order for the objectives of the downsizing to be adequately met.

## Key elements of the Realistic Downsizing Preview, Applebaum and Donia, 2001



Source: Appelbaum and Donia – Career Development International, 2001. Reproduced with permission Emerald Group Publishing Limited, [www.emeraldinsight.com](http://www.emeraldinsight.com)

On a broad level, employee issues identified by Appelbaum and Donia include (but are not limited to):

- A new working relationship which is independent of the previous employment and psychological contract. Key elements to address are:
  1. increased career self-management
  2. greater emphasis placed on overall employability security (as opposed to employment security).
- The provision of, and access to, resources for increased career self-management and self-direction. Key elements to address:
  1. Encouraging skills development – evoking a sense that the employee's commitment to the organisation is reciprocated, regardless of the downsizing decision.

2. Access to a range of career-related resources (library facilities, careers counselling and online job vacancy access have all been identified as positive practical steps).
- Thorough training for all managers in communication and dealing with arising issues for all staff members.
  - Avoidance of inaccurate or misleading information – Noer (1993) found that the success of organisations emerging after downsizing is strongly correlated with the employee's assessment of organisational integrity.
  - Transparency, 'open-door' procedures and the physical presence of management on 'the shop floor'. The key element to address is: that information should always be presented in a honest way to all employees, and should be coupled with genuine empathy, concern and compassion, with managers exhibiting a genuine desire to address the issues facing all employees.
  - Over-communication of information – involving employees in proceedings, and keeping all areas of the organisation regularly updated in a variety of ways (emails, bulletins, newsletters, personal contact), will help to dispel feelings of mistrust and anxiety and will assist in involving all employees in the proceedings.

### **Terminated and surviving employees**

The strategies outlined above illustrate the overall, organisation-wide, activities that may be beneficial before, during and after a downsizing/restructuring programme. Clearly there are differing concerns arising for those who are released, and those who survive.

### **Terminated or released employees**

The treatment of, and communication with, released employees is likely to be highly dependent on legal and contractual obligations and will undoubtedly differ significantly between organisational types and cultures. However, at a personal level, the manner in which the organisation conducts itself towards this group can have far-reaching effects, not only on those who leave, but also on those who stay who will ultimately be responsible for driving the success of the change programme. The way in which survivors perceive the organisation and their place within it will be dramatically affected by their view of the treatment of those who leave the company. From this perspective, Appelbaum and Donia (2001) purport that an integral part of the RDP is to appropriately identify the key needs of terminated employees. Once again, communication is identified as the key tool in this area, with particular consideration being paid to:

- early communication of the downsizing procedure – greatest possible advance notice

- open and honest communication of the reasons behind the downsizing
- fair and, where appropriate, open selection procedures
- where possible, inclusion of appeals procedures
- full adherence to legal/contractual obligations, and where possible, compensation 'over and above' the expected for all terminated employees
- active assistance in personal career planning (perhaps including careers counselling, workshops, time allowances for job searches, onsite access to web-based careers materials, onsite access to careers advisory services)
- dignity and respect in all areas and at all times
- involvement in decision-making.

### **Surviving employees**

Those employees who remain with the organisation become the organisation, and will ultimately be responsible for driving forward the objectives and securing the success of the 'new' company. As such, restructuring the psychological contract, and re-instating employee engagement, organisational commitment and trust, are imperative to not only the experience of the survivor, but also the future of the organisation. Two primary issues have been identified as key factors for survivors:

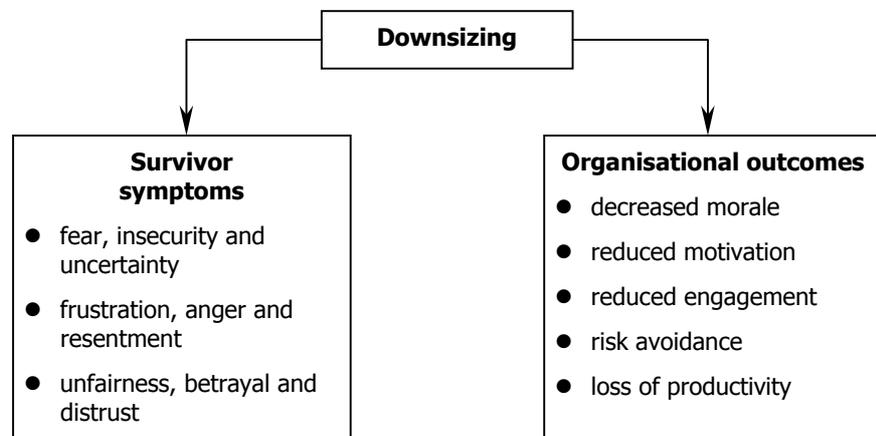
- knowledge and understanding of the process, and the fair treatment of their peers who are terminated – provides clarity for past/present events and confidence for the future.
- a feeling that the management and organisation as a whole are aware of the problems that may arise due to downsizing (potential job re-design, increased workloads, reallocation of teams *etc.*).

Appelbaum and Donia suggest that, when looking to deal with issues facing survivors, two key areas of activity should be considered:

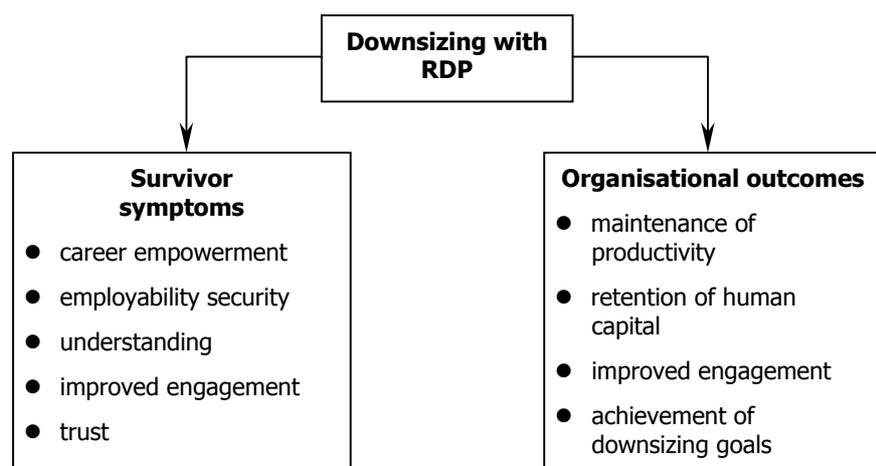
- communication of the reasons for, and the process of, the downsizing decision across all employee groups, regardless of their status within the programme
- open and fair treatment of those who are released from the workforce (perhaps involving open briefing sessions, clear sources of advice and assistance, and clear demonstration that released employees have received fair and appropriate treatment)
- organisation-wide 'help groups' for all, where issues can be discussed
- management and/or union involvement where appropriate

- information given on the future of the organisation – is the process envisaged to be repeated in the foreseeable future, *etc.*?
- active consideration given for changes in the survivor’s environment, workload, and daily life, to include:
  - recognition that the lives of survivors will be dramatically changed as well as those of released employees
  - appreciation for changes in job roles/content
  - adequate planning for reallocation of tasks
  - overriding appreciation of the work of surviving employees and that this work and associated pressures may well increase for survivors.

## 8. Intended outcomes of successful RDPs



By implementing an organisation/context specific RDP:



## 9. Paper to practice — examples of successful RDP implementations

Caudron (1996, as cited in Appelbaum and Donia, 2001) notes several examples of successful communication strategies significantly impacting the process, and ultimately the success, of the downsizing procedure.

### **Apple Computers Inc.**

In downsizing and restructuring procedures at Apple, specific attention has been given to the fact that realistically the organisation cannot and does not seek to offer lifelong employment. By placing a great deal of emphasis on employee career self-management in the downsizing procedures Apple have faced, the organisation has been able to renew and maintain levels of organisational commitment with survivors, and reduce the adverse effects for terminated employees. Resources available to all employees throughout their time with Apple include:

1. comprehensive career resource library
2. career seminars
3. career assessment and counselling
4. networking groups and opportunities
5. online job postings and access to online job/training facilities.

### **The Marriott Group**

Across the groups US location, Marriott have developed a workshop scheme which forms part of the larger organisational policy in the company. The workshop, 'Partners in career management', looks at the three-way interaction between employee, management and the organisation as a whole in career development and self-direction. During the workshop, all employees are responsible for:

1. assessment of their skills, values, interests and developmental needs
2. determining personal short and long-term career goals
3. with management input developing a career development plan
4. personal ownership and delivery of the career development plan
5. learning about various career management resources available at Marriott.

### **Compaq Computers**

The Compaq organisation had to downsize by 15 per cent (2,000 employees) of its US based workforce in October 1991. Communication played a key role in the success of this programme.

*'The underlying assumption for this decision was that if employees understood why the downsizing was necessary for the organisation,*

*rumours would be prevented and employees would help the company get where it was heading.*

*Compaq's communication programme consisted of training managers first, not only on how to help terminated employees, but also how to help survivors. Compaq's programme was a success:*

*... just eight months after the downsizing, the company announced a slew of new products [and] even though the company had a second layoff just three months later, employees had received so much information about Compaq's new direction that they knew the layoff was inevitable and they were able to gear up for the changes. Since then there have been no additional workforce cuts and sales have grown from \$4billion in 1992 to almost \$11billion [in 1995]' (Appelbaum and Donia, 2001, p.11).*

While second rounds of layoffs usually increase the detrimental effect on survivors, at Compaq the reality was quite different. Employees were better equipped and more mentally, emotionally and socially able to 'focus time and energy on co-operatively rebuilding/redirecting the organisation, rather than having to seek answers to burning questions'. (Appelbaum and Donia, 2001, p.11).

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