



Managing During an Economic Downturn

A presentation by

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Managing Organizational Change

The Human Element: aligning people with the change



The Human Element

The most well thought out and designed organizational changes are doomed to fail if the people needed to make the changes do not *understand* the reasons for and/or are not committed to the changes.



The Human Element

And the human element of change is the most difficult part to manage. Particularly because organizational change places people in unpredictable and vulnerable situations – threatening one of the most critical parts of their lives – their ability to earn a living.

This can send people into a crisis mode – leading to behavior that can be much more instinctual/ emotional than rational – which can be destructive and very difficult to manage.



Change


The key is to avoid the unnecessary feeling of crisis.
Interestingly, in the Chinese language, the same symbol is used for the words crisis and opportunity. The rationale behind this is that a crisis represents a pivotal point, where people can see new opportunities in a situation that they might not have otherwise seen.

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The Change Curve



Reaction to the change process



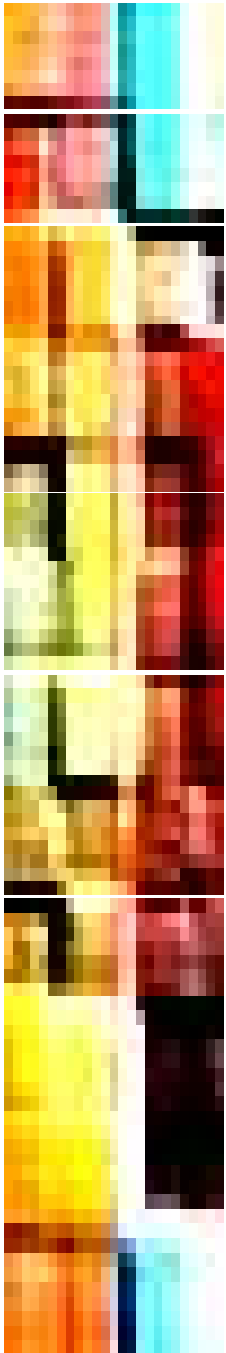
“If you are standing still in a world moving forward, you are moving backward.”

Lauran Bacall

Surviving a Downturn

http://www.youtube.com/watch?v=SmJz_n5KzXM

(YouTube video)





The Human Element

Two practices can significantly help to minimize employees' feelings of unpredictability and vulnerability and align them with the change.

- Communicate constantly before, during and after the change.
- Include employees' input continuously throughout the change process.



The Human Element

“... You may not like or disagree with the change, but if the reasons for the change are clearly explained, it makes it easier to accept.”*

“... Buy-in is critical to successful change; mandates seldom work.”*

•Source. QWL @ CIT 2003. Authors unknown



The Human Element: Communication

Prior to organizational change:

- The reasons behind the change needs to be explained to all employees. It is very important to ensure the organization is ready for a change – or the communication becomes “flavor of the month” if nothing actually happens.
- It is helpful to communicate the methodology that will be used to decide the changes and the general timing (manage expectations).
- It is extremely important that management’s communication is clear and to the point. Employees see through “sugar coating” and are then wary of subsequent communications and motives.



The Human Element: Communication

During organizational change:

- It is extremely beneficial if the frequency of general communication in the organization – even if not relevant specifically to the change – is increased to continuously connect with people. No communication leads to rumors.
- Progress on the change efforts as well as adjustments to the original changes should be communicated a.s.a.p. The worse thing is to have people find out about things in unofficial ways (through others).
- People appreciate celebrations of small successes on the route to overall change (communications commending people are helpful).



The Human Element:

Employee Involvement

Part of the negative reaction employees can have to change is due to feeling a lack of control. By asking for employee involvement at all levels throughout the change process, they feel like they at least had a voice in the process. It helps to minimize the feeling of being a victim of the change – and helps them align better with the ultimate outcome – even if they do not necessarily agree with it.



Usual Work Related Stressors

- The design of tasks (hours, meaningfulness, skill utilization)
- Management style (poor communication, micro management)
- Interpersonal relationships (lack of support)
- Work roles (unclear job expectations)
- Career concerns (lack of growth and/or promotion, unfairness)
- Environmental conditions

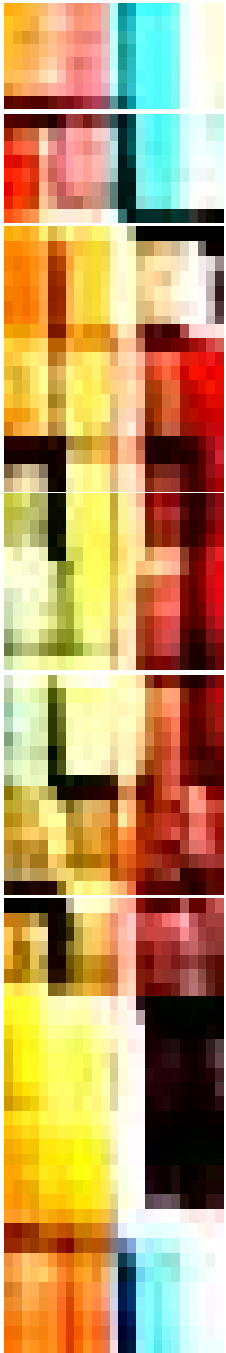


Economy Related Work Stressors

- Fear of job loss
- Presenteeism
- Reduced staffing levels = increased work
- Less flexibility due to less coverage
- Constant change
- No “down time”
- Increased need for communication/info
- Little/no financial safety net
- Uncertainty of the future
- Spouse/partner out of work
- Decreased time to build relationships

People Are Feeling

- Anxious
- Nervous
- Irritable
- Confused
- Afraid
- Angry
- Unable to Focus/Concentrate
- Worried
- Overwhelmed
- Exhausted





Supervisor Tips For Reducing Worker Stress

- Communicate frequently (at least once per week)
- Encourage and model “time-off”
- Provide training opportunities
- Provide very clear expectations
- Humor
- Show employees you care about them, not just the work
- Focus on non-verbal/casual communication too (i.e., eye contact, say “good morning”)



Supervisor Tips For Reducing Worker Stress

- Talk about “the future”, not just the task at hand (initiate vs. react)
- Focus on identifying/utilizing people’s strengths & skills
- Encourage and support flexible working
- Include employees in decision making and provide autonomy
- Provide opportunities for team members to get together
- Be open, transparent
- Take care of yourself



Taking Care of Yourself

- Exercise
- Sleep
- Find someone to talk with
- 607-255-COPE



Survivors of the Change

- Always treat affected with utmost dignity.
- Ensure they understand the reasons behind the change.
- Continue to communicate with them regularly.
- Engage them in future thinking.