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Downsizing with Dignity

By Heidi Genoist, Associate Editor

On November 2, The U.S. Bureau of Labor Statistics (BLS) announced that the unemployment rate for the month of October had jumped to 5.4%, the highest level since December of 1996. Some 415,000 non-farm payroll jobs were lost—"an unusually large single-month drop," according to BLS Commissioner Lois Orr. Since March, job losses of 1.2 MIL have been reported in the private sector as well.

"In October, nearly every industry division had a substantial decline in employment," Orr said. Tradeshow industry firms are not exempt. As managers and staff alike face the frustration and insecurity of corporate downsizing, *Tradeshow Week* turns to experts inside and outside of the industry for guidance in handling the situation with as much grace and courage as possible.

On the Brink of Being Laid Off

Ruth Luban, author of *Are You a Corporate Refugee? A Survival Guide for Downsized, Disillusioned, and Displaced Workers*, says the most important thing for employees to remember is that decisions to downsize are driven by the bottom line. Luban, a counselor and

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consultant in occupational health for three decades, began focusing on laid-off workers in 1998.

The second most important thing to remember is one's rights, according to Luban. She recommends researching company policies and modes of managing layoffs. Find answers to questions such as these: Does the firm offer severance pay? Does it force employees to sign nondisclosure forms to receive that severance? Can 401(k)s be converted? Will an outplacement service be made available?

Luban's practical suggestions for people on the brink of a layoff include:

- **Take charge of the things you can control.** Organizing files and finances, updating your resumé, and studying the employment picture of your company and industry to find out where jobs are available are all constructive activities.
- **Shore up your support system.** "Have a family meeting to share what's going on and get your family's emotional support," she says. Also, seek the encouragement of other "corporate refugees," with whom you may be able to share ideas and networking sources.
- **Identify friends and allies within your company.** These individuals may be needed for references and networking.
- **Create daily rituals.** Luban says these help "manage the extreme stress and keep you centered." Such rituals can include a good night's sleep, regular exercise, good nutrition or journal writing.

The Task of Letting People Go

Career trends and issues expert Karyl Innis, CEO of The Innis Company, trains U.S. managers in the delicate task of letting people go through her program, *It Isn't Easy*:

A Manager's Guide to Employee Termination. Innis says that it is difficult to terminate an employee, even if it is someone you do not like or who does not perform well.

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CEO, The Innis Co.



"There are actually three parties with a stake in the separation," she says. "The manager who delivers the message, the employee who is being separated and the remaining employees at the firm." Managers must address the needs of all three parties. Effecting a successful termination, according to Innis, means: treating the employee sensitively and allowing him to maintain his dignity; curtailing legal difficulties for the company; and ensuring that those who stay are sufficiently reassured to keep focused on their work.

It Isn't Easy gives the following guidelines for terminating an employee sensitively and effectively:

- Carefully select the best person to deliver the message (the employee's day-to-day supervisor, if possible), and decide who else needs to be present and why.
- Schedule meetings so that they are brief, private and early in the week.

- Communicate clearly by writing a letter with all severance information, preparing a script of what you will say during the meeting, and explaining the next steps to the individual.
- Avoid justifying the termination or placating the employee with pat statements (“I know how you feel”) and unrealistic promises.
- Ask the employee if s/he has understood the news, but be gentle and avoid personal statements at all times.
- Synchronize termination appointments with the provision of an outplacement agency, so the employee can make a smooth transition out of the office.

“Violence or backlash occurs when people feel demeaned or without options or recourse,” says Innis. To minimize the chance of this occurring, she advises managers to stay on the message and avoid condemnations no matter how warranted they may be.

Difficult as it may be to admit, companies make layoffs to improve efficiency. Innis recommends making a

checklist encompassing all of the above as a way to keep the terminations efficient. Also make sure to record the name, address and other statistical information (length and capacity of service to the company) of the individual being separated and the reasons for his/her termination.

Industry Point of View

Maurice Girard, President of Trakker Technologies, LLC, agrees with much of Innis’s advice. He echoes Luban’s statement that the difficult decision to cut staff is predicated on financial reasons, not performance or personality.

Girard takes a very humane approach to downsizing. It is important to be honest and forthright about the reasons for the layoff, he says. “Thank affected employees for their contributions and service,” he adds. “Allow them the use of company assets (e.g. phones, faxes, copiers) for a reasonable time, to begin their job search.”

Girard also advises managers to plan so that layoffs happen in one round only, if possible. “Do this based on the premise that you must keep your core competency of staff. Anyone absolutely not essential to that is a candidate for force reduction,” he says.

Sometimes a company’s situation warrants letting go of key or long-term personnel. If there is financial data to support the decision, Girard says, there should be no room for complaint. “If the employee has been treated fairly and honestly during the span of employment, then they will most likely understand and accept the reasons for their being let go,” he says.

Sources: Ruth Luban, M.A., Santa Monica, CA (310/450-9477; Email: ruth@corporateresugees.com); Karyl Innis, Chairman/CEO, The Innis Company, Dallas, TX (972/702-9484; Fax: 972/404-9004; Email: kinnis@inniscompany.com); Maurice Girard, President, Trakker Technollgies, LLC, Bozeman, MT (406/585-9915; Fax: 877/780-6181; Email: maurice@trakkers.com).



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