

The Shopping Cart Test

When managers have to downsize their staffs, how do they know it was done well?

The room was filled with managers who have just been told that there will be a consolidation of software development and their site was going to be closed. Some would be offered jobs in other locations, others would be released the next day, the balance would be asked to work through the release of a product upgrade then they too would lose their jobs. The mood was grim. Most of the members of this team had been there from the beginning as part of a small company with a hit product. The company had been sold; then sold again. This announcement marked the end of two years of long hours and challenging business conditions.

Duncan Mathison, a transition consultant, was asked to help this team navigate through the shutdown in an orderly way and get people on the road to new jobs. To begin the discussion, he asked the group a question: "Imagine nine months from now and we are having lunch together looking back on these events and we say, 'that was tough, but we feel good about what we were able to do.' What went right?" Silence. A couple comments were made about spending retention bonuses and relief that the uncertainty was over. But one woman raised her hand and said, "I want to be able to say that we passed the *shopping cart* test."

Unsure what she meant, Mathison asked her to explain. She said, "Many of us live in the area. It is not unusual to see each other over the weekends or in the grocery store with our families. I want to make sure that the way we treat each other during this time is such that if we do run into each other in the store, we will not feel we have to move our shopping carts to another aisle." Everyone laughed and agreed that the *shopping cart test* should become the behavioral standard during the difficult transition. They successfully delivered the last product release and shut down the operation.

When business conditions dictate job losses, we tell people it is not personal. But job loss *is* personal and stressful conditions can become more difficult by employees and managers taking out frustrations with co-workers, the company and leadership. The shopping cart test or similar guiding principles that resonate with a group of employees has helped in layoff situations to assure people are treated with dignity, communications are thoughtful and uncomfortable situations are quickly diffused. In essence it is a temporary norm, a behavioral contract between employees to help them manage the difficult ambiguity brought about by organizational change and job loss. Each situation is unique but the

approach has resonated across professions and industries including, for example, the biotech company where the VP or R&D deeply cared about his scientists and wanted to assure that the talented researchers he had personally recruited would be willing to work for him again once business conditions improved. And they did.

Layoffs and shutdowns can deeply impact entire communities. The largest employer of a small Midwestern town had to shut down after nearly 40 years in business. The company president, a community leader with a home and family in town, was worried about the implications to the community and anger from displaced employees. Mathison and he worked together with other executives to establish a set of Guiding Principles. These principles were integrated into thoughtful employee communications and guided key decisions related to the treatment of employees. One month after the shutdown, he was shopping at the only K-Mart in town when he was suddenly approached by someone he recognized an employee who used to work on the factory floor. He did not know the man's name, never before had directly spoken with him and he was a bit anxious given the circumstances. The man announced that his father, he and his son had all worked for the company and had lost their jobs as a result of the shutdown. But then he said... "Thank you". "I know it was difficult", he said, "And I want to tell you I appreciated how you handled it. I appreciated the respect you gave us, your honesty and the help to gave us to land on our feet."

When business conditions result in job losses, the added stress, fear and uncertainty for all employees can be palatable. When these factors are present, employee and manager behavior can become dysfunctional, seriously unproductive and even threatening. As a result, the business performance can suffer that will compound the business challenges causing the layoffs in the first place. In both of these situations and countless others, the risk associated with these conditions was significantly mitigated.

Every situation is unique and presents a range of issues. When planning workforce reductions consider the following:

Communicate, communicate and communicate. Often we hear concerns from our clients about when and how much to communicate given the sensitivity of the decisions. Rumors are fact of life in any organization but when it comes to job loss, the rumor mill can quickly tip employee opinion against management before decisions have been made. Message control will not happen if leadership stands

on the sidelines while vocal dissidents spin creative worst-case scenarios. Even in uncertain situations effective communication can keep the message under your control.

Raise the Bar. Employees look to leadership to demonstrate high character particularly during difficult times. Take time to assure the selection of who goes and who stays is driven by business requirements and are carefully reviewed to avoid the perception of backroom dealings and political favoritism. Raise expectations of behavior for all members of management. Establish a set of guiding principles to reinforce core corporate values. Do not tolerate misbehavior.

Support those who leave, focus on those who stay. Managing exiting employees well and providing transition support is essential to moving forward and requires an investment in time and expense. Do not be lulled into thinking a layoff is over when the last employee leaves. Have in place a plan to assure remaining employees and their managers are supported as they rebalance workloads and focus on critical priorities.

Get help. Successful leaders do not become successful by becoming experts on downsizing. Who would want to? Assemble a transition team with advisors well versed in the issues related to employee exits and remaining employee engagement. Set performance goals for the transition team to assure clarity of outcome, well coordinated teamwork and success metrics. Assure that your organization and your leadership will pass the “Shopping Cart Test”.

About Duncan Mathison:

For nearly 18 years Duncan Mathison has guided companies and their leadership through the gut wrenching change of RIF's, reorganizations, acquisitions and operation shutdowns. He is an author and speaker on organization performance, leadership and executive career topics including serving as a contributor to “Building High Performance People and Organizations” (Praeger, 2008) and “Rebound, A Proven Plan for Starting Over After Job Loss” by Martha Finney (FT Press, 2009); and co-author on “The Truth About the Hidden Job Market”, due out Summer of 2009. His clients have ranged across industries including finance, technology, telecommunications, biotechnology, retail and entertainment.

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