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1995

Empowering the Survivors of Downsizing

Marian W. Guidry

EMPOWERING

THE SURVIVORS

OF

DOWNSIZING

Marian W. Guidry, B. S.

**Abstract Presented to the Faculty of the
Graduate School of Lindenwood College in Partial
Fulfillment of the Requirements for the
Degree of Master of Science.**

1995

ABSTRACT

Downsizing, a term relatively new to the business world just a few years ago, has now become a house-hold name. In an effort to trim the budget, companies are reducing their personnel at an alarming rate.

The recent downsizing is having a devastating effect on employee morale. Downsizing threatens the security and self-esteem of survivors and victims. It causes turmoil and shatters the morale inside of organizations.

Survivors of downsizing are faced with the challenge of remaining loyal to the organization, even when feelings of insecurity and cynicism are dominating. Fear is permeating the workplace. Lack of mobility and advancement opportunities are creating stagnation. Survivors are concerned that they are likely to become the next lay-off victim.

American companies are experiencing a severe motivation crisis. Symptoms of this crisis are shoddy output, high

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absenteeism, strikes, earlier retirements and an overall restlessness among the employees.

Survivors of downsizing are concerned that managers are not maintaining open and continuous communication concerning lay-off possibilities, are not aggressively pursuing downsizing alternatives, and are not seeking means to maintain a diversified workplace.

The economic climate has created an empowerment crisis for most managers. During these times of uncertainties, managers are faced with the challenge of encouraging commitment from the remaining employees.

This project explores the motivation crisis that results from downsizing, and offers invaluable tools that managers should utilize to empower the survivors of downsizing.

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COMMITTEE IN CHARGE OF CANDIDACY

Dr. Michael Castro, Chairperson and Advisor
Adjunct Professor Michael Kramer
Adjunct Professor Gareth Gardiner

During the course of writing this paper, The Base Realignment and Closure (BRAC) Commission recommended that my company be disestablished and relocated to Huntsville, Alabama.

This project is dedicated to my husband, Ronald Guidry, who voluntarily agreed to seek employment in the Huntsville area.

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It has been called by many names, including rightsizing, restructuring, downsizing, realigning, relocating, streamlining, delayering, and others. Although the names may vary from one organization to the next, the message has remained the same. Today's workforce is rapidly changing, and in many instances, declining. Between 1987 and 1993, more than six million permanent pink slips have been handed out, and since that time layoffs are occurring at an even faster rate.

Reduction of personnel is occurring at such a rapid pace that organizations are being formed to protect the rights of the affected employees. One such organization is the National Organization of Downsized Employees, NODE (Hofmann 1).

NODE was formed in March 1994, and has attracted more than 3200 members, from 42 states. The goals of this organization are to provide members with information and education about issues that affect downsized employees, to create a support network in which each member can become an active participant, and to be an advocate for the legitimate concerns and

problems that confront its members. NODE, as well as other similar organizations, is feeling the need to address the concerns of this growing segment of the American population.

The effects of downsizing have adversely affected workers' productivity and morale. With the destruction of employee morale and aspirations, the organization will face severe consequences. Lack of mobility and advancement opportunities will create feelings of stagnation. Creativity and innovation will gradually decrease. Providing new sources and forms of personal growth to prevent employee and organizational stagnation is one of the greatest challenges facing today's managers (Hinrichs 11).

Change in the organization keeps accelerating. Before an organization can get adjusted to one change, it is hit with several others. Changes in many companies have resulted in the elimination of whole layers of management (Block 1).

During an era of unrelenting change, managers are facing a severe motivation crisis. Many times the restructuring and downsizing actions result in displaced, discontented workers. Workers find themselves in positions for which they did not

apply, or are minimally qualified. Feelings of insecurity and cynicism are dominating. More and more American workers at all levels are turning off to their jobs. Workers are afraid that their jobs are, at best, only short lived.

The symptoms of the motivation crisis are quite obvious: shoddy output, high absenteeism, strikes, earlier retirements, more formal complaints, and an overall restlessness and discontent among the workers.

According to a recent study, the largest declines in job satisfaction were in employees' evaluations of their job security and ratings of pay (Hinrichs 27). The analysis also showed sharp drops in workers' confidence in management's willingness to deal fairly with their problems or in the effectiveness of communications to or from management. The greatest declines were in confidence in the concern and responsibleness of top management.

In order to assess the changes taking place in society today, it's important to analyze the changing eras of American history. The Industrial Age replaced the Agricultural Age in the late

nineteenth century. The new model of machine production, characterized by efficiency and productivity, inspired the organizational structure of government and business enterprises. Within the organizational forms of big business, countless variations developed. Small businesses banded together to benefit from economies of scale and to compete more effectively with larger companies.

Beginning around 1910, managers quickly came to dominate the organizations. Those organizational forms that survived and thrived were professionally managed and boasted of high volume, a steady pipeline of permanent employees, and machine like efficiency. In the interests of efficiency, managers adapted an autocratic style where economic benefits accrued first to the organization, second to the stock holders, and third to the worker.

By the 1930's, the management profession began emerging in many fields to replace unschooled foremen in supervising the production process and other areas of the company. Specialized schools, societies, professional journals, and consulting firms soon followed. Upwardly mobile white-collar workers were ideal

managerial material. By 1950, the managerial ranks had swelled by 400 percent, and the number of workers had grown by 50 percent (Kelly 28).

By the 1970s, the Industrial Age was under attack by a shifting and changing world economy. The old economic models and tools that had once guaranteed success, were becoming obsolete. Inflation and interest rates staggered the nation, and unemployment rose to an all time high. Modern organizations were caught unprepared. They had been so confident of their continuing success, that the changes were dismissed as temporary disruptions. Many of the nations' greatest companies ignored the changes around them and waited for the activities to return to normal.

With the influx of computer technology, the Industrial Age has now been superceded by the Information Age. Many of the businesses created by this Information Age are service oriented, such as computer software operations, and electronics information processing. Major newspapers and other forms of non-computerized publications are becoming obsolete.

Newsletters, special interest magazines, and cable television stations are blossoming.

In addition to the impact of the Information Age on the American economy, the defense industry has undergone a radical reshaping. The early 1990's have become a new post-war period. The significant decline in the threat from the Soviet Union has resulted in a radical shift in military readiness. While the United States looks forward to the potential savings in military expenditures, whole industries that had been put in place to produce , support and maintain the necessary weaponry for the Cold War are not needed. This means a loss of high-paying jobs, now unneeded high-quality production capacity, and some significant short-term pain for those directly affected (Nolan 6).

The Defense Department has been shrinking for several years, but it was only about two years ago that the magnitude of the downsizing became apparent. That was when Vice President Gore's National Performance Review (NPR) proposed a 12 percent cut in the civil service. This proposal was quickly enacted into law by Congress, which mandated a cut of 272,900

jobs by 1999. In September 1993, President Clinton ordered 50 percent cuts in agencies' headquarters and supervisory staffs, and the Office of Management and Budget (OMB) told agencies to submit streamlining plans that would more than double current supervisor-to-employee ratios, from 1:7 to 1:15 (Hornestay 44). This downsizing affects not only civil servants, but those support personnel as well.

American companies will never be the same. The quantity and pace of change are ever increasing. Most managers are aware of the motivation crisis and are sometimes overwhelmed.

Companies are now realizing that happy, satisfied employees are crucial to fiscal and commercial success. The old priorities of the organization first, shareholders second, customers third, and employees fourth, have been rearranged. The new ideas of management maintain that by putting customers and employees first, corporations have discovered that they can meet the demand for profit better. Workers' attitudes are a crucial asset in determining the success of a company. Unless employees are

satisfied and motivated, they will not perform well enough to serve and satisfy the customers.

To build new organizations responsive to rapidly changing economic, technological and sociocultural trends, the United States needs new forms of leadership that differ drastically from the management models of the Industrial Age. The days of managing solely for output, with no regard for employees' attitudes, are gone. The new form of leadership must recognize the new power that workers have, as well as alternatives to the current forms of management.

The new breed of workers emerging in American businesses today, demand a new kind of management. This new age is the empire of the mind, not the body. It is brain power, not physical labor, that will play the central role in the economic success of the near future.

In such an era of change, we need leaders who understand how the world is changing, and how to involve workers and other managers in creating a vision that directs everyone's efforts toward achieving a goal (Kelly 90).

Change in the organization has come to be our constant companion, ripping the hearts of the organization and killing people's faith in the future. When people are uncertain about their future, they experience doubt and cynicism. Too often, the organization continues to ask more of everyone, but fails to realize the need for employee empowerment. People who are empowered , are energized. They put their hearts into their work.

The job of motivating and empowering the declining workforce has been of major concern to supervisors and managers. How do you continue to motivate and empower employees and increase overall worker morale, when the feeling of hopelessness and despair dominates the workforce?

Empowerment is getting people to believe that they are in charge of their own destiny, that what they do is going to influence the system. High morale enhances an organization's ability to maintain its workforce. A highly committed workforce provides management with a greater opportunity for success.

The new formula for success is founded on the premise that when diverse groups of people are brought together by

organizational change and are empowered with freedoms, challenges and responsibilities, the people will respond accordingly. The company and the employee stand to mutually benefit and prosper by relating to one another as mature, responsible adults. By putting customers and employees first, corporations have discovered that they can satisfy and expand their market share, and meet the demand for profit better. Unless employees are satisfied and motivated, they will not perform well enough to serve and satisfy the customers. Many companies, therefore, are creating work environments that make better people of their employees, instead of just better employees of their people.

There has been a growing recognition on the parts of managers and supervisors in all industries that motivational techniques that were once effective, such as using the threat of punishment as a motivator, have lost much of their impact. Fortunately, many supervisors are feeling the need to change their managerial strategies.

For some time now, behavioral scientists, trainers and professionals have been immersing supervisors in programs designed to alter their approaches to their employees. They have been introduced to new ideas about such things as the basic nature of human beings, and their needs, about the values of participation management and a humanistic treatment of employees. Supervisors have had sensitivity training and group sessions focusing on human relationships.

Training in human relationships will play a critical role in motivating and understanding the cynical disposition of displaced employees. When people are shuffled, repositioned, and assigned to different bosses and new work groups, many employees are forced in positions without their own input or that of their immediate supervisor. They're not really sure that they want the job, so they're not sure that they want to be committed to the new scene. Their commitment is kept on hold.

In today's unstable and highly competitive environment, organizations need workers who will ask critical questions, enjoy challenges, and bring diverse perspectives into the workplace.

During times of uncertainty, managers are faced with the challenge of encouraging commitment by the remaining employees. Commitment grows when employees have had a chance to contribute. Completing a job carries its own reward.

When an organization is forced to downsize, the survivors can easily misinterpret the situation, taking it as hard evidence that proves people don't count. In reality, the survivors of corporate downsizing matter more now than ever. Feeling needed warms people deep inside, adding more heat to the fire of commitment. Commitment can't take root unless employees feel as if they count for something. If they have come to believe that their output really doesn't matter, or if they get the idea that nobody really cares, their ambition eventually decreases. When the boss discounts people's work by ignoring them, or treating them as if they are easily replaced, employees begin to act less worthy. The job of the manager is to make each employee feel as if they are making a contribution to the organization.

Change has a tendency to weaken people's emotional attachment to the organization. If managers are to empower, they

must find a way to ensure that the survivors in the organization feel a sense of belonging. Many people report to work daily, but their hearts do not belong to the organization, fearing that they may be the next one to be released. People who feel rejected only put in their time. Employees who feel left out or ignored invest very little passion in their labor.

Change in organizations, however, can be used to charge up people. We can learn to live with change. Change opens up the doors to people's hearts and minds that might otherwise have stayed locked forever.

Downsizing and thinning of management ranks are trends not likely to be reversed in this century, given budget realities and the political climate. Corporations should use the time, information and resources available to plan for new strategies to both motivate and satisfy quality employees.

It is apparent that in many industries, growth is declining. The aerospace industries are declining. Some of the great growth industries of recent years have begun to plateau-- such as computers, airlines, education, and government. There are still

vast organizations in these industries, but their growth rates have tapered off. In these circumstances, a slowdown in mobility is inevitable. Advancement opportunities have decreased and the need for motivation has increased.

For these reasons, it appears that today's industrial environment is a qualitatively different one from what it was decades ago. The nature of the difference suggests that the motivation crisis is relatively new.

This project seeks to explore new tools and techniques with which today's managers can arm themselves. Commitment, responsibility, motivation, reinforcement are at the forefront in the restructured and downsized organizations. The time for refinement and action is now. Employee empowerment must be a primary focus if organizations are to maintain their effectiveness currently and in future years.

CHAPTER TWO --- REVIEW OF LITERATURE

Psychologists, behavioral scientists and managers have realized for some time that increased motivation generates increased productivity. A satisfied worker is thought to be a more efficient worker. The problems that managers are facing are how to organize the efforts of individuals to achieve the desired objectives.

There have probably not been many concerns to modern managers that ranked as high as the concern for workers' motivation. Everyone recognizes motivation as the glue that holds the organization together. When people in an organization are not motivated, or are disempowered, a decrease in employee performance is inevitable.

What motivates people? Which management strategies produce the desired patterns of behavior? This chapter will

analyze the works of several authors who have made substantial contributions to the study of human motivation.

Employees differ not only in their ability to do work, but also in their desire, or their motivation. People's motivation depends on the strengths of their motives. Motives are sometimes defined as needs, wants, drives, or impulses within the individual. Motives are directed toward goals, and generally determine the direction of the behavior of an individual.

The behavior of individuals at a particular moment is usually determined by their strongest need. It is important, therefore, for managers to have some understanding about the needs that are most commonly important to people.

A frequently used model that helps explain the strengths of certain needs was developed by Abraham Maslow. According to Maslow, there seems to be a hierarchy into which human needs arrange themselves (Hersey 27). This model has become part of the standard vocabulary of behavioral scientists.

At the bottom of Maslow's hierarchy are the physiological needs (food, water, warmth, and so forth), followed by safety or

security needs (which includes both physical safety and the feeling of being protected against future injury or financial hardship). When these needs are fulfilled, the motivational effects of the higher-order need surface. The next three levels of the hierarchy are social, esteem, and self actualization.

Social needs surface after physiological and safety needs are satisfied. Since people are social beings, they have a need to belong and to be accepted by various groups. When social needs become dominant, a person will strive for meaningful relations with others.

After individuals begin to satisfy their need to belong, they usually want to be more than just a member of the group. They now feel the need for esteem, both self-esteem and recognition from others. Most people have a need for high evaluation of themselves, and this evaluation usually comes from recognition and respect from others.

The need for esteem or recognition appears in a number of forms. Two of the most prominent forms are prestige and power.

The prestige motive is becoming more evident in our society today. People with a concern for prestige want to "keep up with the Jones". Vance Packard and David Riesman probably had the greatest impact in exposing prestige motivation. Packard wrote about the status seekers and their motives, while Riesman unveiled other directed individuals who were part of the lonely crowd (Hershey 35).

Prestige is a sort of unwritten definition of the kinds of conduct that other people are expected to show in one's presence. Prestige seems to have an effect on how comfortably or conveniently one can expect to get along in life.

People seek prestige throughout their lives in various ways. Many tend to seek only the material symbols of status, while others strive for personal achievement. Regardless of the way it is expressed, there seems to be a wide spread need for people to have their importance clarified.

Power, on the other hand, is a person's influence potential. There tends to be two kinds of power--position and personal. Individuals who derive their influence from their personality and

behavior have personal power, individuals who are able to induce compliance from others because of their position in the organization are said to have position power. Some people possess both position and personal power, while others seem to have no power at all.

Alfred Adler, a one-time colleage of Sigmund Frued, became very interested in the power motive. By power, Adler essentially meant the ability to manipulate or control the activities of others to suit one's own purposes. He found that this ability starts at a very early age, when children as babies realized that if they cry, they would influence their parents' behavior. By using this position power, babies were able to satisfy their esteem needs.

In Maslow's hierarchy, once esteem needs begin to be adequately satisfied, the self-actualization needs become more important. Self-actualization is the need to maximize one's potential, to become what one is capable of becoming.

An effective manager is one who is able to instill a sense of confidence and competence--not because making workers feel good is nice, but because it is necessary. High turnover rates,

mediocre performance, chronic absenteeism, and other symptoms of work malaise are not good business. The manager who makes effective use of the self-enhancement skills can minimize these symptoms by increasing the employees' self esteem.

An interesting variation of the theme of promoting self-esteem has been provided by J. Sterling Livingston. The majority of managers unintentionally treat their workers in a manner which leads to a lower level of performance than what they are capable of achieving. He contends that if a manager's expectations are high, productivity is likely to be superior, but if they are low, productivity is likely to be inferior.

A successful manager is one who has the ability to create high performance expectations that subordinates can fulfill. An unsuccessful manager is one who fails to instill positive expectations and who thereby sets up a situation in which performance suffers. Workers tend to do what they believe they are expected to do.

The hierarchy of needs cannot be taken universally. The way self-actualization is expressed can change over the life cycle.

For example, a self-actualized marathon runner may eventually look for other areas to maximize his running potential. Many times physiological needs are sacrificed for the satisfaction of other needs, such as when individuals go on periods of fasting for the independence of a country or the release of prisoners. Too often safety needs are sacrificed for the satisfaction of other needs, such as when one risks his or her life to become a member of a gang.

In discussing the dominance of one category of need over the other, it is important to note that one level of need does not have to be completely satisfied before the next level emerges as dominant. On the contrary, most people tend to be partially satisfied and unsatisfied at each level.

Maslow's hierarchy of needs cannot be an all-or-none framework, but rather a model that may be useful in predicting human behavior. Human beings exist at different levels of existence. At any given level, an individual exhibits the behavior and characteristics of people at that level. The hierarchy of needs

may vary substantially from one individual to another, and from one situation to another.

Of all the needs discussed by Maslow, the one that social and behavioral scientists know least about is self-actualization (Hersey 37) . This may be because people are satisfied in different ways, and self-actualization may be difficult to identify.

In today's changing and declining workforce, the safety needs are becoming a lot more dominant. With impending reductions in force, layoffs, and restructuring that are occurring in most offices, it is difficult for many employees to feel a sense of safety, or security. Concerns over job security are surfacing daily. Attempts to satisfy this need have posed serious problems for most managers.

There have been several recorded variations on Maslow's hierarchy theory. One variation, provided by L. B. Barnes suggests that employees may first follow physiological and security pattern, but then jump to any of the remaining types of needs. A second variation by Clayton P. Alderfer, grouped needs into three basic categories: existence, relatedness and growth

(Matejka 70). Alderfer speculated that the less one set of needs was satisfied, the more desirable another set became. The third variation provided by David McClelland believes that workers have needs for achievement, power and affiliation, where one need tend to be dominant for each individual. He believed that classifying employees according to one of these three needs may give a manager new insights into his people.

Strongly influenced by Maslow and his need hierarchy, Douglas McGregor applied this hierarchy to the organizational structure. In the 1960's, he came up with two opposing theories which he called Theory X and Theory Y.

Theory X management stresses that human beings are lazy and avoid work. They need to receive direction and are motivated through the fear of punishment. In addition, Theory X proposes that the average employee tries to avoid responsibility and wants job security above all else (Grensing 5).

Theory Y management states that people will use both self-control and self-direction. This theory suggests that the average employee learns not only to accept, but also to seek

responsibility. Theory Y management treats employees as if they enjoy physical and mental effort, direct themselves to meet objectives, relate achievement with certain rewards and use a high degree of imagination, ingenuity and creativity.

Theory Z is a more recent theory advanced by William Ouchi (Grensing 6-7). Ouchi felt that the secret to Japanese success, is not the technology, but a special way of managing people. This management style involves a strong company policy, long range staff development, and consensus or participative decision making.

Theories and classification systems are a good starting point for employers and managers looking for ways to empower employees. For real results, these theories must be applied. Managers need a step by step approach to motivate employees so they will help the company run smoothly and profitably.

The challenge facing managers is motivating employees without adding to the already high costs. To deal with this challenge, more and more managers need to turn to non-monetary incentives for employee motivation.

According to Ken Matejka, in his book "Why This Horse Won't Drink", the greatest incentive for employee motivation is the art of managing rewards and punishments (17). Matejka believes that behavior is determined by the consequences. Everyone tries to maximize pleasure and minimize pain. At any given time, Matejka believes we do what we perceive will make us feel best.

When managers are asked to explain the process of rewarding, they usually describe rewarding as giving an employee something pleasant. Although this is a reasonable explanation, there are other productive ways to reward an employee.

Giving an employee something pleasant is not the only reward. A reward is also taking something undesirable from the employee. So the manager has two options for trying to strengthen that behavior: add a consequence that the employee finds pleasant, or take away a consequence that the employee finds unpleasant.

One thing to remember about rewards is that pleasantness is determined not by the manager's perception, but rather by the

employee. Just because a manager likes something doesn't mean that it is desired by the employee. Managers usually choose what they would want and assume their employees would want the same.

An example of perceived pleasantness of a reward can be seen in a typical office situation. A given employee, let's say Mark, works extremely hard, never takes a break, never takes a vacation or extensive leave, and is very dependable. Managers may perceive that a pleasant reward may be giving Mark some free time off. This can be a very false perception. If Mark is coming to work as an escape from the pressures from home, this reward may be very undesirable.

Frederic Herzberg's Two-Factor, or Motivation-Hygiene theory, sheds some light on choosing the appropriate reinforcers for a given employee. Herzberg's theory concentrates more on the personal goals of a worker than on the underlying needs that activate them.

Herzberg believed that there were two distinct sets of factors operating on employees. One set, referred to as hygiene factors,

determined the degree of happiness or unhappiness experienced by an employee. The environmental elements includes company policies and administration, working conditions, interpersonal relationships, type or supervision, and salary, status, and security.

The second set of factors operating on employees were involved with the job itself, and consisted of recognition, responsibility, achievement, advancement and specific job components.

Herzberg provided managers with a list of factors that seemed to be important in reducing dissatisfaction and/or creating satisfaction. These elements can help managers conceptualize where their employees are at present and what they might be pursuing in the future. Also this theory helps to explain what causes good performance and what does not normally affect performance.

Although Herzberg provides a framework that managers can use to determine the appropriate reinforcers, only the employee's honest feedback can ensure the successful continuance of this reinforcer. An employee may not have been concerned about

monetary rewards six months ago, but may be very concerned today. An employee may not have needed time off during the busiest season, but may be desperate for time off today. Communication between employee and employer are crucial if the appropriate reinforcers are to be issued. Chapter 3 explores more fully the two-way communication process as an essential tool for reinforcement.

When an employer knows his subordinate because he talks straight and listens well, he can choose more suitable rewards. He may not always be right on the first try, but he will eventually learn to be right. Open discussions with subordinates will show the employee what consequences will be the most effective in motivating them.

A useful support of Herzberg's theory is Decharm's "Personal Causation", which holds that the primary motivation of humans is the need to effectively cause changes in the environment. Most people do not want to have their lives determined or manipulated. People value most highly the behavior that they believe they have originated themselves, rather

than the behavior they perceive as having been imposed upon them. A supervisor who encourages employees to originate their own work and who actively listens to and has respect for their ideas is ensuring that the employees will value that work more highly.

According to Ichak Adizes, four managerial roles must be performed if organizations are to be effectively motivated. These four roles are producing, implementing, innovating and integrating. Each of these managerial roles is important in motivating employees and increasing their morale (Hershey 7,8).

A manager in the role of producing is expected to achieve results equal to or greater than the competition. The principal qualification for an achiever is the possession of a functional knowledge of his field, whether marketing, engineering, accounting, or any other discipline. The role of producing emphasizes activities in the economic/ technological subsystem.

Being individually productive and having technical skills do not necessarily enable a manager to produce results in working with and motivating people. A manager should have more than

individual producers. They should be able to administer to the people with whom they work and to see that these people also produce results. In this implementing role managers schedule, coordinate, control and discipline. If managers are implementers, they see to it that the system works as it was designed to work. Implementing emphasizes the administrative/ structural subsystem.

While producing and implementing are important, in a changing environment managers must use their judgment and have the discretion to change goals and change the systems by which they are implementing. In this role managers must be self-starters. This innovating role stresses the informational/decision making subsystem. Integrating is the process by which individual strategies are merged into group strategies. When a group can operate on its own with a clear direction in mind and can choose its own direction over time without depending on any one individual for a successful operation, then the integrating role has been performed adequately. It requires an individual who is

sensitive to people's needs. Integrating emphasizes the human/social system.

While all the roles seem to be necessary for running an effective and motivated organization, integration is a must for new managers. Managers must be able to integrate in order to allow the other functions to work in a positive fashion.

One of the most influential tools in the evolution of behavior modeling is the Managerial Grid (Rosenbaum 13). Developed by Drs. Robert R. Blake and Jane S. Mouton, the Grid has been widely used as a model for organizational development interventions. The thesis of Blake and Mouton is that the conventional manager maintains that a concern for people and a concern for production are counterproductive; the successful manager is one who knows how to integrate employee needs with production needs and capitalize on both. The Managerial Grid provides a graphic illustration of managerial styles based on two variables: concern for human beings and concern for production. At one extreme is the manager who exhibits neither caring for

people nor interest in production, at the other is the manager who is extremely committed to both.

Although the Grid is designed to aid supervisors in defining their own style of supervision, the ultimate goal is to produce managers who are concerned for both production and people. The most effective managers insist on excellence in both areas by integrating a maximum sensitivity to people with a maximum concern for productivity.

A significant approach to building a productive work environment is provided in the "operant conditioning" principles of B. F. Skinner. Skinner has become the most visible stereotype of the cold, mechanistic, totalitarian behavioral scientists (Rosenbaum 23). He insists that all human behavior is determined by external stimuli and that "free will" is an illusion. Although Skinner has been condemned by many, his concrete proposals for building a more rational environment through the establishment of new controls have been rated by his admirers as enlightened and revolutionary contributions to civilization.

Whenever one thinks of Skinner's unyielding determinism, there is no question that operant conditioning has a place in business and industry. Reinforcement techniques are commonly used by educators and psychologists to change behavior--either to strengthen desirable or to diminish undesirable behavior by rewarding the one and punishing the other.

Another way to look at the pragmatic value of the manager's ability to motivate is from the perspective provided by "Transactional Analysis", a technique of psychotherapy which has found application in the workplace. Created by Eric Berne, transactional analyses offers a style of human interaction without coercion (Rosenbaum 22).

The first step in the transactional process is becoming aware that all transactions flow from three states of mind: parent, adult and child. The parent state is a storehouse of teachings from the past by parent figures. These are recorded in the brain and play out repeatedly in the present. Berne compares them to old tape recordings which play of their own volition, even when the messages are inaccurate. The adult state, on the other hand, is the

part of the personality which can take in new options in the present, without being controlled by tapes from the past. Finally the child state is defined as a chaos of childhood feelings both from the past and from the present.

Misunderstandings occur when a statement made by a person in one state is encoded in a different state. A frequent type transaction occurs when a parent statement is made by a supervisor to a subordinate, thus causing the subordinate to react to a reprimanding parent with the emotional response of a child. Since the adult is oriented toward results and is in touch with the present, it is usually the most effective ego state for business transactions.

An important initiative in empowering employees that has surfaced in recent years is the Behavioral Trust and Change Program (Matejka 103). This is a formal program that is clear and consistent, but can be tailored to fit a particular situation. It's a straight-forward agreement between the manager and his subordinates. This model will be covered in detail in the next chapter.

Employee education is yet another tool used to motivate employees. Employee education offers many benefits. The benefits include increased knowledge, an eagerness for knowledge, higher productivity, better employee morale, and an improved company image. It may also improve one's promotion potentials.

Managers have many options when it comes to motivating an employee. They have long realized that high employee morale enhances an organization's ability to maintain its workforce. An organization with a highly committed workforce has less internal conflict, and less time lost on strikes, and the processing of formal grievances.

The following chapters will discuss the strategies from selective experts, that managers can use to build an empowered workforce.

CHAPTER III -- SELECTIVE REVIEW OF LITERATURE

Communications programs are important for maintaining job motivation, including everyday management communications practices, adequate channels that employees feel will provide a fair hearing for their grievances, and more formal communications channels such as newspapers, bulletins, and postings.

According to a study published by the American Management Association, one of the most frequent and damaging sources of stress is

"a lack of feedback on one's job performance" (Rosenbaum 95). This lack of communication occurs at all levels of the workforce, from vice presidents to secretaries. Workers frequently perceive themselves as operating in a vacuum, with no clear knowledge of whether they are performing well or poorly, or what they are really supposed to be performing in the first place.

This lack of communication has added greatly to the stress experienced by today's workers. Because of the downsizing and

restructuring that are occurring in most offices, workers need this verbal feedback more now than ever. They depend on management to communicate to them not only how well they are progressing, but also what their future opportunities are with the company.

One of the most interesting and surprising findings of recent research is that the common phrase "do your best" is virtually useless in motivating people. To "do your best" is defined differently by different people. To the worker faced with numerous work assignments, it can mean many things. If the worker hears it all the time, it comes to mean nothing at all.

Goals should be specific, clearly stated and clearly measurable. This is especially true for newcomers in a particular position, who may be uncertain of their current job assignments. Goals which fulfill these criteria provide a source of feedback, accountability and evaluation. Measurable objectives are invaluable in motivating people and improving job performances. If an employee does not have a clear idea of the task at hand and does not receive feedback on the performance of it, he or she

cannot realistically be held accountable for it. It is a sad fact that the chaotic office where no one really knows what to do and very few ever get feedback on what is or is not being done effectively has become more the rule rather than the exception.

For managers to be clear in their objectives, the request should have three identifiable elements: an action verb, a measurable result, and a deadline. For example, "I want you to get your work done soon," translates to "the goal is to increase production ten percent by June 16th." Phrases such as "why don't we get together soon and discuss this" should be avoided. Those type phrases should be replaced with "let's get together on March 3rd at 3 o'clock for a review of our progress".

When managers are not specific with their request, the employees may feel that there is no specific deadline, no specific criteria, and no specific consequence. When the employee is then called in to give a report on his progress, he is not prepared. The boss is upset that the employee is unprepared, the employee is upset because the boss wasn't specific in his request, thus creating a stressful situation.

Another problem with setting goals is that some managers set goals but fail to follow through with the necessary monitoring for their accomplishment. It is important to be clear not only about the content of a goal and target date for its completion, but also about the dates and times for discussion as the work progresses. An effective parent says, "Have your room clean by 9 o'clock this morning". This request is very specific and leaves no doubt as to the action or the deadline. The point is to keep in touch and keep reviewing the projected problem. By specifying a time to review the matter at hand, the supervisor can provide a practical structure for interacting with the employee as well as an ideal opportunity for reevaluation, reinforcement, and continued open communication.

Sharing as much information as possible is the opposite of the military notion that only those that have a "need to know" should be informed (Block 90). The objective of the manager should be to let people know of plans, ideas, and changes as soon as possible. When there are any thoughts of reorganizing, plans need to be revealed right away instead of waiting until the plan is

fully formulated. If a project is running behind schedule, employees need to know that also. Most supervisors think that part of their role is to shield their subordinates from bad news coming from higher-ups. When managers shield the employees, they are acting like parents and treating their employees like children. The goal should be to create a mindset that everyone is responsible for the success of the business, thereby releasing complete information to the employees.

Employees need to be thought of as partners rather than children or parents. Managers realize that withholding information from partners would be putting the relationship at risk. Three areas where managers could treat their employees as partners can be seen in the disclosure of financial information, career development, and possible changes in goals and structure of the organization.

Everyone in the unit needs to be made aware of the company's financial situation. Downsizing should not come as a surprise to any of its employees. The group should be privileged

in seeing a breakdown by section of how the company is doing financially.

Sales forecast should be common knowledge. Many times employees are not aware of impending sales until it is heard over a public broadcast or read in a national publication. Employees should be made aware of the economic realities for the division in which they work.

Sharing information on career development is a must for today's workers. Employees need exact information on where they stand and how they are rated. The rating system should be thoroughly explained. If people are given color codes on present performance or potential, they should know what these color codes mean. Employees need this information even if it is not requested.

Many companies will only share information under pressure. When employees realize that managers are not willing to share information, or only share requested information, they become distrustful of management, and will always believe that managers know more than what they are telling.

Keeping employees abreast of changes in direction, goals or structures is very crucial in maintaining a motivated workforce. If managers are thinking of changing direction, goals, or even structure, it is important that people are informed prior to the plans being finalized. People need to be told as much as possible and as early as possible. Managers sometimes mistakenly feel that the risk in early disclosure is that others may be upset about the plans and mount resistance before managers are fully prepared to defend themselves. This feeling of resentment is nothing as compared to the anger experienced by employees when a manager begins implementing changes and restructuring the organization when the employee had no prior knowledge of the changes.

As soon as a new structure is needed, employees need to know what managers are thinking and why. Employees should be given an opportunity to get involved. If a structure isn't working, or if two groups or even two companies are being merged, people should be given an opportunity to reorganize themselves. Banks and other small corporations are currently

merging to prevent big city invasion. In one recent situation, managers of merging operations were asked to decide on the new structure. The managers were able to put aside their territorial instincts that would have resulted in conflict if managers were not involved in the merging process.

If a project is not going well and there is some failure, this needs to be part of the public dialogue so people know how to act and how to proceed. To protect a project that is failing by telling people that it's "under study and that you'll let them know later what the outcome is", takes away from those involved in the project. The alternative is to say that the project is in trouble, and we're talking about whether to keep it alive or not, and to be very specific about the nature of the difficulties. Most of the efforts to understand why projects fail indicate that people knew early on that the project couldn't work, but they were afraid that if they delivered the bad news, they would be shot.

It is a fact that no one wants to hear bad news. But this doesn't mean that they can't handle it. It is in the employee's best interest to be informed. Withholding discomforting news

from people treats them like a fragile child. It reinforces their dependency.

One argument against shielding people from bad news is that it just doesn't work. Whether through the grapevine, managers' attitudes, or plain intuition, people generally know what is going on. Managers work very hard to decide what to tell and when to tell it, and by the time they get around to communicating, everybody knows. Delaying bad news reduces peoples' trust in management.

Managers fear that released information may leak outside of the company. They feel that shared information about costs, forecasts, and plans may reach the competitor. Whether the business is competing for market share, a hospital competing for patients and doctors, or a volunteer agency competing for donations of volunteer time, some managers feel that the amount of information that competitors know would hurt the business. This notion is quite insignificant. What generally happens is that attitudes about the outside enemy invade the internal operation so that competitiveness, caution, and secrecy characterize

relationships between groups and people within the company (Block 95). Managers then need to create a Behavioral Trust and Change Program.

The Behavior Trust and Change Program gained notoriety in the book titled "Why This Horse Won't Drink" by Matejka (95). How useful this program can be will depend on the individual situation. A formal program that is clear and consistent is often missing in the workplace. A behavioral trust and change program is a straight forward agreement between the boss and his subordinates. It lays out the task-related behavior and the possibilities and consequences associated with each action.

It is employees' perceptions regarding management that determines their behavior. Fairness, consistency, and clarity in management actions and demands are critical to employee acceptance and performance.

There is no one behavioral trust and change program that will work for every organization. It is important that managers have different possible solutions to motivate employees and to achieve the desired behavior. Matejka lists ten steps in the

behavioral trust and change program. (See Exhibit A) The following ten steps are generic and must be tailored to the organization:

1. ***Judge the fit*** - Each organization should be analyzed for specific needs. This analysis should result in a tailored behavioral trust and change program.

2. ***Build a success story*** - Begin with a few jobs for which performance is easy to measure so you can build up credibility of the program in the eyes of the employees. Be sure to be clear and specific in identifying who controls performance and reward accordingly. If a worker is dependent on the performance or someone else, use group incentives.

3. ***Choose the behavior you want*** - Identify only specific measurable performance related behavior. Look at the task and distinguish the desirable, undesirable, and the irrelevant behavior. A behavior is not undesirable just because it doesn't suit you.

4. ***Monitor the behavior*** - Some behaviors happen on a particular day of the week or at a particular time of the day. Find

out how often the behavior is occurring. Monitor and record the frequency of the behavior.

5. ***Consider the consequences of the behavior*** - Most people act in rational ways to maximize pleasure and/or minimize pain. Maybe the consequence is not important to the employee. Perhaps the consequence is actually encouraging the behavior. Too often troublemakers are rewarded with promotions or other desirable assignments just to get rid of them Analyze the situation. Too much attention should not be given to the troublemaker.

6. ***Hold exchange meetings*** - Information, expectations, perceptions and goals must be shared. Workable solutions that are mutually beneficial must be pursued.

7. ***Choose and communicate strategies*** - The exchange meetings should result in the establishment of the best strategies for behavior change. When the best strategies are formulated, the two-way communication should continue. A number of recent studies are providing disturbing evidence that communication between managers and supervisors is seriously deficient on such

important matters as what a subordinate understands his job to be. What is even more disturbing is that subordinates do not tell managers about the obstacles and problems they encounter in doing the job. In the behavioral trust and change program, there is continuous dialogue between supervisor and subordinate.

8. *Check the resulting behavior* - Output quality and defects should be carefully monitored, measured and recorded. Allow the employees to do some self-monitoring, which can provide valuable insight in itself. When an employee is encouraged or forced to keep his own records, he will be much more aware of how he is doing.

9. *Deliver what is promised* - This is the supervisor's chance to build trust by showing the employee and observers what happens when someone performs well. Give praises, recognition and further encourage good performances.

10. *Regroup* - Evaluate the results against the desired circumstances, and make the necessary changes or updates. As tasks, goals, or needs change, you will have to adjust your program accordingly.

Trust comes to the manager who cares about the task and the people. Find out what they need and tell them what you need. Compare these needs with your capacity to deliver and let the employees choose. This clear contract gives the employees much more flexibility and freedom.

The establishment of clear, realistic, and measurable goals is an important element in maintaining a motivated work force, especially in organizations that are threatened with restructuring and downsizing. These goals must be clearly communicated and that communication must become a continuous process.

Communication plays a critical role in any business relationship. Effective communication in the downsized organization is a must to maintain an empowered organization.

BEHAVIORAL TRUST AND CHANGE PROGRAM

JUDGE THE FIT

BUILD A SUCCESS STORY

CHOOSE THE BEHAVIOR

MONITOR THE BEHAVIOR

CONSIDER PRESENT CONSEQUENCES OF BEHAVIOR

HOLD EXCHANGE MEETINGS

COMMUNICATE STRATEGIES

CHECK RESULTS

DELIVER WHAT IS PROMISED

REGROUP

EXHIBIT A

CHAPTER IV - RESULTS

Next to the death of a relative or friend, there's nothing more traumatic than losing a job. Corporate cutbacks threaten the security and self-esteem of survivors and victims alike. Layoffs disrupt careers and families. They can set turmoil and shatter the morale inside of organizations.

It comes as no surprise that when consulting firms survey human resource executives about recent downsizing, they find some negative results. Managers tend to underestimate the impact cutbacks have on the morale of survivors. People become preoccupied with layoffs.

A declining business requires a seasoned manager who can motivate the workforce to remain competitive. Top management must guide the strategies of declining businesses by their choice of leadership and by keeping a balanced perspective regarding the role of the declining unit.

One of management's greatest challenges is the need to influence and change the behavior of others. The successful manager is the one whose vision is not self-centered, who sees that the production needs of the company are precisely consistent with the human needs of the personnel.

I recently conducted a survey on the "Effects of Downsizing" on major companies in the St. Louis area. The

results of the survey indicated that most people agree on basic steps that can be taken to empower employees during downsizing and/or restructuring. This chapter will discuss the results of the survey and describe tools, tools such as active listening, available training, intangible rewards, maintaining ethnic diversity, and pursuing alternatives to downsizing, that are invaluable in motivating and empowering employees during this period of change.

Chapter III addressed the importance of managers maintaining open communication with employees concerning the status of the company and any impending restructuring. The respondents to the "Effects of Downsizing" survey agreed that communication was extremely important, but that managers must also be willing to actively listen.

Listening is the ability to pick up, define, and respond accurately to the feelings expressed by the other person. Listening involves not interrupting or projecting one's own opinion and ego. If an employee is angry and frustrated, the supervisor who actively listens may well defuse that anger and turn it around toward motivated behavior.

Active listening is the ability to feed back the emotionally charged information. When this type of listening is employed, the person with the problem perceives that he or she is being understood. This perception frees the person to explore his or her

own feelings, to express personal ideas, and to rely less on defensive behavior.

Active listening in a communication technique provides a comforting effect for persons being actively listened to. Many times just verbalizing these feelings of bitterness or frustration clears the air and allows the employee to resume working almost as if nothing had happened. In active listening, the supervisor attempts to understand what the employee is feeling or what the employee's message means. Then the supervisor transposes the message into his or her own words and feeds it back to the employees for verification. It is important to emphasize that the supervisor utilizing this skill does not send a message of his or her own--no interjections, opinions or advice. The supervisor should feed back only what the subordinate's message means, in both content and emotion.

One of the respondents to the "Effects of Downsizing" survey wrote in concerning an incident that happened in her place of employment. This respondent was a supervisor and prided herself in communicating well with her subordinates. Her company was preparing for a major layoff. Every Monday, she would attend a company staff meeting, return to her department, and communicate the minutes of the staff meeting. She said that she cautioned her workers not to ask any questions, because she was telling them all that she knew, and was afraid that she couldn't answer additional question. The workers received this

caution as not only not to ask questions, but also not to make any comments.

The supervisor thought that all was going well until one Monday afternoon, one of the employees stormed into her office, and was visibly upset over the upcoming layoffs. The employee began to share her feelings concerning the layoff process. The supervisor stated that she then began to actively listen and to empathize with the employee. At the end of the session, the worker commented that even though her situation probably had not changed because of the meeting, she did however feel better that the supervisor had taken the time to listen. The supervisor then realized the importance of the two-way communication process.

It should be emphasized that active listening is conceptually simple but sometimes difficult in practice. The fulfillment of all parts of the process, especially in emotionally heightened situations, can take considerable discipline on the listener's part. Listening is an active process, not a passive one.

When feelings are vague and are barely being conveyed, active listening can be a most appropriate and powerful means of stimulating the employee to express the feelings fully. Active listening promotes rapport between supervisor and employee.

Another question from the survey that received a lot of attention was on the issue of available training. The respondents overwhelmingly agreed that training served as an invaluable tool

in motivating employees faced with possible downsizing. Many of the respondents stated that if they were given an opportunity to attend some sort of formal training, it would do much to increase morale. Many stated that they felt their jobs were expendable, and would jump at the chance of training in another career field. They felt that additional training would make them more marketable.

Education and training for employees are not new. In 1982, Harvard University established the first university program for working managers. That summer 170 executives spent six weeks studying a condensed version of Harvard's MBA program (Grensing 192).

There is a growing trend toward continuing education training-- training that is in addition to the education employees may have received in college. Many factors have increased this demand. One of the most important is increased competition for available jobs. Other factors are rapid technological change - especially in the computer and medical fields - and the rising education level of the population.

Today, countless organizations across the country are finding that education is yet another way to motivate their workers. Courses can be offered to employees at virtually every level of the organization. IBM currently spends approximately $500 million annually on employee training and education (Grensing 193).

Tektronix, Inc., an electronics firm in Beaverton, Oregon, uses education to attract, retain, and develop people. The company offers seven degree programs, as well as supplemental and specific skill courses in off and on site programs. These programs are reimbursed up to 100%. Employees often go to flexible schedules to attend courses. Employee development is also promoted by Tektronix through job posting, internal promotion, career workshops, career counseling, flextime, and childcare. They also have a handbook that describes job opportunities, educational requirements and salaries of specific positions.

Developing a learning organization requires a major commitment of time, energy and resources. Learning and risk taking are two of the most important components of creating an organization that can successfully shape its own future. A learning organization will emerge when the members become genuinely excited about the process of learning.

Sometimes it is possible to build this interest in learning. For example, Johnsonville Sausage in Sheyboygan Falls, Wisconsin, now funds any learning its workers find interesting. Enlightened leaders believe that if people get excited about learning topics--no matter their seeming irrelevance to their job responsibilities--this enthusiasm will increase their interest in learning on the job (Noland 81).

Employee education offers many benefits. Benefits include improved attitudes, increased knowledge and skills and higher productivity. It also improves employee morale and the company's image.

Critics of employee training have offered several reasons as to why training should not be offered to employees. Probably the most important one is budget restrictions. Companies are being cautioned to drastically curtail their spending and too often the training program for employees is the first to be cut. As training programs are cut, employee morale decreases.

It would be most beneficial if companies would pursue other avenues to trim when budget cuts are inevitable. Many of the executive perks can be reexamined. The use of teleconferencing can replace business trips. Other elaborate spending, such as company picnics, company balls and the like can be reduced.

Another criticism of employee training is that learning cannot be measured in on the job performances. In the case of Johnsonville Sausage, critics argue that such learning enthusiasm is only a figment of imagination and cannot be measured.

For Johnsonville Sausage, the plan has paid off very well. It has become one of the most profitable companies in its competitive industry. This growth and sustained profitability came from workers who became active learners, constantly seeking to improve themselves and their company (Noland 82).

Some managers feel that because of budget limitations, they are unable to adequately motivate an employee. Although there may be some desire on the part of some subordinates for monetary incentives, there are other intangible rewards that will serve in motivating the employee.

As Abraham Maslow theorized years ago, the hierarchy of human needs ranges from survival to self-actualization. Once people have fulfilled their basic needs for food, water, and shelter through economic security, they concentrate on developing relationships. After having established a social support system, they are ready for self-growth, or self-actualization.

Although upwardly mobile professionals possess the material goods symbolic of worldly success, they tend to generate their values internally. Their own evaluation of their achievements means more to them than the opinion of others. Success means more to them than money.

Modern managers can learn much from the issuing of intangible rewards. They usually fail to address the range of internal and external rewards that people seek through their work. Many of these intangible rewards cost an organization nothing; yet they appeal directly to the self interest of particular employees.

Intangible rewards are unlimited and can be given at anytime during the rating period. Some examples of these rewards are 1)

feedback from a credible source 2) praise 3) physical contact 4) peer recognition 5) participation, and many more.

Intrinsic rewards, those generated by the individual or by the work itself, can be tangible or intangible. Mastering a new job skill, is tangible. For that very reason, Tandem Computer, Inc., offers its employees a sabbatical every four years, both to upgrade their professional skills and to rejuvenate their psyches (Kelly 74). An intangible reward might be a sense of satisfaction in a job well done.

Extrinsic rewards are those generated outside the individual and his or her work. They can be as tangible as glamorous business trips or personal computers for home use. They can also be as intangible as status, participation in decision making, or praise from supervisors.

Noland speaks of the offering of non-monetary incentives in his book titled "Plan or Die". (73) He defined "elegant currency" as any act or object that one individual can easily spend that is highly regarded by the receiver. The notion of "elegant currency" is not what is elegant to the giver, but to the receiver. For some people, a letter of appreciation is extremely important; to another it is a waste of paper. Competent supervisors seek to know their employees and work to tailor the "elegant currencies".

Another common concern expressed by respondents in the "Effects of Downsizing" survey was that managers were not actively seeking alternatives to further reduce personnel, and they

continued to feel at risk of losing their jobs. They were concerned that even though managers were laying off workers in one building, they were continuing to hire in another building. American Airlines, for example, has cut its workforce by nearly 5000 since late 1992, but its information services unit has added about 2,200 in the same period (Byrne 43). Healthy companies that slash payrolls instead of devising new game plans are sending a demoralizing message to employees.

Other companies also are shifting hiring from one unit to another to keep up with changes in their business. A T & T is aggressively hiring abroad. Today it boasts 54,000, including 20,000 managers, yet it has shed more than 7200 employees since 1984 (Byrne 44).

Survivors of downsizing feel that if managers used some innovation, or allowed them to use some kind of innovation, they would not be at such risk of losing their jobs. If subordinates are given a chance, managers may discover that they can provide innovative solutions to difficult problems.

This was the case with Rhino Foods, a maker of specialty desserts in Burlington, Vermont, when it faced the prospects of laying off some of its 50 employees last spring.

The president of the company gave the workers a tough challenge. Find a solution that would save money while minimizing job losses.

A committee of more than half of Rhino's work force suggested lending employees to neighboring businesses.

After talking with 15 local companies, the committee found that two needed workers on a short-term basis. Ten employees were committed to work at these two businesses. Rhino continued to pay its workers, and the two other businesses reimbursed Rhino (Maynard 10).

By giving the workers a chance to become involved in the downsizing process, the company built a level of trust that's impossible to measure.

Many employees are easily qualified for other positions and managers may avoid the impact of downsizing by re-qualifying its employees. Also, managers need to look at costs, other than personnel, to reduce the overall budget.

A growing concern of minorities and women in the workforce is that layoffs are occurring at a disproportionate rate. It doesn't appear that this group is targeted, but that the old business practice, "last hired, first fired" occurs in most cases. When the time comes for cutbacks, these cuts usually occur from the bottom, and that's where you'll find most minorities because they were usually the last hired.

Most defense industry executives grimly acknowledge that the drastic shrinkage of their business, coupled with a tradition of seniority-based protection against layoffs, have stalled their efforts to attract and keep minority scientists and engineers (Sims

1125). A substantial number of these minority workers were hired during the defense industry heydays of the 1980's, so they were more vulnerable to layoffs.

Some companies have managed to protect many of their minority hires. Their strategy is to wield the budget with an eye for ethnic diversity, as well as business needs. There's a recognition that diversity is not only a social imperative, but a business imperative as well. So despite the drastic downsizing in high-tech industries, some companies are continuing their efforts to diversify the workplace.

Today's corporation is no longer a secure or stable place. Few observers expect an end to the spate of downsizing. It's an uncertain turbulent environment where managers often find the compassion and humanity in conflict with the pressures of competition and ambition. Fear permeates the workplace.

There is reason to hope that survivors will adapt. As managers transform themselves into leaders, they will acknowledge the competitive benefits of a self managed, innovative workforce. Respondents to the survey felt strongly that subordinates should be involved in decision making, from conception to implementation. When managers look back on the unhappy, unmotivated, and uncreative workers of the Industrial Age, they will be grateful that their companies are allowing its subordinates to participate in decision making.

CHAPTER V - DISCUSSION

In the society in which today's organizations exist, the question of whether change will occur is no longer relevant. The issue now is how do managers cope with the inevitable changes that confront them daily in attempting to keep their organizations viable and current. They must be able to examine the environment and develop strategies to plan, direct, and control change.

There is an enormous amount of potential energy and creativity in organizations, which seems to get stifled as organizations are restructured and downsized. Employees are afraid to fully express themselves for fear of becoming the next lay-off victim.

Setting goals and maintaining communication are essential priorities in coping with impending organizational changes. It doesn't matter so much *how* a goal is set, but rather *that* a goal is set. Once goals have been worked out and are clear to everyone, it is the supervisor's job to provide support, to encourage a feeling of pride and self-esteem, and to make the workers believe that they are capable of meeting the goals. If goals are met, the feeling of pride in achievement will reinforce the acceptance of future goals.

This chapter discusses the importance of open and continuous communication , both formal and informal, and explores some of the obstacles managers face when trying to empower the employees. It is important to managers to keep in mind that goal setting and follow-up significantly increases morale and the rate of production. Absenteeism is substantially lower in companies that set challenging, specific and attainable goals.

One of the most important principles of motivating the survivors of downsizing is the value of maintaining and enhancing self-esteem. Maintaining and enhancing self-esteem asserts that people are motivated to work at a level consistent with their perceptions of self-competency. The individual who feels adequate in performing a task will perform, or certainly be highly motivated to perform in a manner consistent with that feeling. On the other hand, an individual who feels incompetent in performing a task will probably live up to those low expectations by producing shoddy work. The supervisor who encourages feelings of competency in subordinates increases the motivation to perform competently, the supervisor who subverts subordinates' self-esteem usually gets a poor quality product.

The more confident people feel in their jobs, the better they perform, even when faced with possible layoffs. An employee who feels competent is much more likely to perform

competently. Managers must be able to instill a sense of confidence and competence.

The following is a list of specific ways to inspire motivation and enhance self-esteem:

1) Praise the specific task
2) Give special assignments
3) Reveal signs of agreements
4) Actively listen
5) Accept others' ideas and opinions
6) Take ideas seriously
7) Accept differences in others
8) Recognize the feelings of others
9) Recognize important events in the lives of others
10) Ask for opinions on problem solving
11) Delegate
12) Share experiences
13) Admit you're wrong
14) Show concern about performance problems
15) Share information
16) Give complete reasons for directions

Workers are like everyone else, they behave in tune with their self-perceptions. The more competent people feel, the more competently they perform.

It is sometimes dangerous for managers to assume what motivates others. Observation alone is not a good determination

of what motivates people. It is far better to inquire directly what rewards those workers require in order to motivate themselves and what factors reduce contentment and productivity.

To provide the appropriate environment, managers must determine whether performance depends on certain equipment, projects or praise. Do subordinates focus on their physical environment (office space or equipment); their social environment (the presence of team spirit); psychological environment (expressions of support from the boss); on their intellectual environment (such as creative interchange from talented colleagues); or on the work itself (such as challenging assignments in areas of personal interests)? When all department members share their list of motivators, they gain insight into how they can help one another.

Today's managers are faced with an especially difficult challenge. Today's survivors need to feel a sense of self-esteem, need to calm their anxieties concerning the future, and need to refocus their negative energies.

Managers can empower these survivors in many ways. First, managers can provide them with challenging, stimulating work that uses their talents. The goal is to provide them with work that will stretch their imagination and thinking.

Second, workers should be encouraged to become more innovative and more productive. Managers must challenge their traditional ways of thinking about a problem and encourage them

to look at work from new and different perspectives. Ideally, managers should encourage them to attend sessions or classes on creativity, innovation and imaginative thinking.

Third, the lines of communication between management and workers must be kept open, especially on the status of the company. If more layoffs are inevitable, the employees should be informed. Managers are in a position to see the big picture. Providing the employees with sound, accurate information is one of the greatest motivational tools.

Fourth, managers should help employees keep their professional lives in perspective. A good manager should provide workers with continuing educational experiences. This can mean sending them to courses, seminars, or professional association meetings. You can form study groups within your department for the interchange of information.

Finally managers must help to prevent workers from burning out, or becoming cynical. This usually occurs when a worker's life gets out of balance, with too much emphasis, time and energy devoted to one part of his or her work life. Managers can assist workers in keeping their lives in balance both inside and outside of work. This means being sensitive to them as total human beings, not just as robot workers. When burnout and cynicism occur, the workers' contribution to the organization and to society are endangered. Managers can ensure that job requirements are

reasonably demanding, provide opportunities for continued growth, and involve the employee in decision making.

Change can be hard on hope. It's easy to focus on what's going wrong instead of searching out the possibilities and opportunities. As soon as change becomes evident, people become preoccupied with headaches, aggravations, and fears.

Self directed behavior is essential in today's world of accelerating change. Organizations are learning to run lean, and that means every person must become self-sufficient.

Empowering the survivors of downsizing in today's organization can be frustrating and challenging. Survivors must be continually updated. Even no news is news. If employees are not updated regularly, they'll fill in the blanks by themselves, and the rumor mill is fed by default.

Managers should be open, forthright and honest in communicating the status of the company. They should learn to tailor this communication to the individual. The sharper his insights are into each individual, the better the odds that he'll manage him or her more effectively.

Motivation is evident in the employee who works harder, more effectively, and with more enthusiasm than the average employee.

Motivation is drive. It's ambition, and it's a behavior that's missing in many workers. Its absence is directly related to the way many managers manage.

We need to remember that opportunity often comes disguised as trouble. We do the best job of managing change when our mind set is positive. Hope for tomorrow enables us to transcend the problems of today.

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