



Corporate Counseling Associates

**Some Swim Upstream:
Executive and
Organizational Resilience**





Faced with the worst economy in decades, organizations are struggling with the everyday reality of mass layoffs. While the road through such times is harsh and uncertain, the transition period that takes place after a downsizing may prove to be an equally challenging time of organizational crisis. Businesses face rampant employee pessimism, the burden of doing more with less, and a potential exodus of top performers, threatening the sustainability of the enterprise.

In stressful times like these, clarity can be the first casualty. Clarity is exactly what is needed if a company is to remain viable and profitable. Human resource professionals are called to focus their organizations on the simplicity (and criticality) of this simple management notion.

The Battered Economy

As 2008 drew to a close, some economists saw signs of hope that an economic rebound, albeit small, was approaching—a light at the end of the tunnel. As the old saying goes, that light proved to be an oncoming train. In late January, America experienced what some called “Bloody Monday”—over 71,000 layoffs announced in a single day.

More than 2.5 million people lost their jobs in 2008 alone, according to the Bureau of Labor Statistics. The unemployment rate climbed from 4.9 percent in January to 7.2 percent in December. Continuous concern pervades national polls as Americans realize the end may not be in sight; indeed, housing values continue to fall, trade is shrinking, and labor experts believe the unemployment rate may rise as high as nine percent in 2009. The Conference Board recently reported sharp declines in its Employment Trends Index of December 2008 and experts fear that two million additional jobs may be lost this year.

Additionally, unemployment figures don’t paint a complete picture. The *New York Times* noted that such figures don’t count people who have been forced to work part-time, even though they want to work full-time. They also don’t count “discouraged workers”—those who have given up looking for work. When these two groups are factored in, the true unemployment rate stands at a combined 12.8 percent. Worse, many economists believe that home prices still have further room to fall, banks still have losses to acknowledge, and companies have more jobs to cut.

In a recent [white paper](#), we provided guidance on how Human Resources (HR) can take care of itself and reduce unnecessary risk before, during, and after a downsizing event. As 2009 progresses, HR professionals should be equally prepared to assist managers and employees to manage the aftermath.

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Managing with an Eye on People and Profit

In this challenging environment, companies are struggling to remain relevant while managing a balance sheet that's as wild as a carnival's tilt-a-whirl. Yet to remain successful, organizations that have endured layoffs must continue to meet the everyday needs of business and retain customers. Businesses still need to innovate, please customers, achieve market differentiation, stay profitable and retain talent. None of this is easy in a shrinking economy that translates into resistant customers. It's even tougher to win at this when managing the emotional turmoil caused by a recent downsizing.

HR's priority is to *re-engage and re-align* an organization's workforce so they can move past the layoff crisis. The immediate need is to provide employees with continuous support amid the disorientation that comes in the wake of layoffs; the more communication and presence from managers, the better. Employees' perceptions need to be changed from irrational beliefs to adaptive beliefs. People need to identify what things they can't control and embrace those that they can. Clarity of business goals anchors these messages.

For example, a typical transition model begins with disorientation, fear, uncertainty, anger, and sadness, ultimately progressing to self-reflection. Here people reach a crossroads: travel down the path of control, hope, and problem solving, or slide down the slope of self-doubt, hopelessness and conflict.



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At this point it's critical to adjust employees' collective "state of mind," and replace pessimism with optimism. Optimism fosters resilience: the ability not only to bounce back but to learn, adapt, and grow. It reflects not only the character of people, but also how an organization is led. Resilience can be identified, refined, enhanced, and leveraged to get the organization focused and back to work.

Employee engagement meetings are ideal to discuss the changes that have taken place, and help people acknowledge their responses to life-changing events. For example, Corporate Counseling Associates (CCA) offers "Workforce Resilience Seminars" that enable employees to not only assess problems but to own and fix them—teaching them to be an *active* part of the solution or change process, rather than being victims of change.

Other methods include leadership/coaching programs focused on activating business strategy, data-based feedback programs, employee assistance programs, work/life programs, organizational surveys, 360 performance feedback, and gathering select staff after a termination event so that improvements can be made. Some companies establish self-directed work teams, or "change teams," which give employees a better understanding and ownership of their company's business situation. By taking a leadership role, HR professionals can help infuse compassion and dignity into difficult cost-cutting actions, and work to keep "premier" talent from jumping ship for better opportunities.



"Experience is a powerful teaching tool," says Dr. Thomas Diamante, an industrial psychologist and Senior Vice President at CCA. "What's unique about experience is that two people won't necessarily learn the same thing from the same event. In fact, one person can use a specific experience as a 'turning point' in their lives, catapulting them to success and yet another will point to the same event as the trigger that led to spiraling decay. So, the event itself is only part of the story. The individual's background, personality and other experiences – all of this 'collides' with the oncoming event, creating its own new experience. In a very real sense we don't respond to the world – we are (or should be) busy *creating* it."

"In our very intensive seminars we uncover the interplay between an individual's makeup and their business situation," he adds. "While complex, under the right conditions we've been able to accelerate change by restoring a sense of self-sufficiency, optimism and purpose in leadership. It's a powerful mechanism to retain valued executives."

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However, helping employees through the trauma of layoffs is only part of an organization's response. Employees also need to get re-focused on the company's long-term business outlook. To overcome panic and paralysis, we recommend that HR and senior executives work together to establish and communicate strategic operating objectives across the organization. As doom and gloom appear in the daily headlines, employees need to know how their company will confront this grim business climate. Keeping people informed helps diffuse rumors and avoid irrational pessimism.

Effective communications should focus on the following:

The current competitive situation:

1. What do we need to do to "win?"
2. What are our internal strengths/weaknesses? What are our external threats and opportunities, and how will we overcome the situation?
3. What does winning look like?

A clear vision that articulates the firm's future:

1. How is our industry changing?
2. How do we change with it?
3. What is the expected outcome . . . what will the end of the rainbow look like?

Thoughtful management practices:

1. What are the steps needed to make our vision a reality?
2. Are we stuck in a comfortable, reactionary mode, and how do we shake ourselves out of it?
3. What are the first steps to take, and how will we know we're making progress?
4. When will we know our business strategy is being executed wisely? What metrics can we implement?



Organizations are facing a flight risk of top performers. It's a global market, and technology has opened the door for worldwide opportunities. High-performance employees are increasingly willing to make personal accommodations and sacrifices to stay engaged in their profession; rather than settle for a stale business environment, they see new challenges in Asian-Pacific markets and elsewhere. To keep these performers, organizations need to change their business models and the way people work. Virtual teams, teleconferencing, telecommuting, and critical work/life benefits are all ideas to consider. Companies need to know what their workforce wants and needs in order to grow the business.

In rough waters such as these, it's imperative that organizations regroup and reposition the way they work.

In difficult times, many organizations turn to consulting firms. CCA recommends focusing on the basics. Once business strategy is set, it's all about execution—getting management focused on the “blocking and tackling” of business strategy. It's a time to focus on the non-discretionary operations, such as making sure managers don't bring unnecessary risk. Prevent litigation risk by continuing to train them on essential matters. Don't short-change learning that is core to protecting the strategy, the brand and the business.

Do the basics and evaluate external consulting solutions with the following criteria:

- Does the service accelerate change?
- Will it help retain talent?
- Can it speed project execution?
- Does it support the workforce in times of terrible stress?

Things may indeed get worse before they get better. In rough waters such as these, it's imperative that organizations regroup and reposition the way they work. Swimming upstream may not come naturally, but those who learn will emerge on top after the storm passes.

About Corporate Counseling Associates

CCA manages critical people issues that place organizations at risk. In business for 25 years with over 250 top-tier accounts, CCA brings a full-time staff of industrial and organizational psychologists, clinical social workers/psychologists and counseling professionals to solve human capital-based business problems. CCA's integrated human capital consulting service offerings are: EAP & Work/Life, Learning & Development, and Organizational Consulting.

For more information, call (212) 686-6827 or visit www.corporatecounseling.com.