Downsizing Essay, Research Paper

In today s world downsizing has become well known in the corporate and business world. How do we as managers handle the effects of downsizing, and is it ethical to downsize? These are two very important questions and must be given a great deal of thought and consideration to all of those who are affected when it comes to downsizing in the corporate and business world.

Over the last few years in organizations all around the world we have seen phenomenal downsizing. If you had drawn the typical organization five years ago it would have looked like a Christmas cake, today it looks more like a pancake (Garters, Reg 4). Corporations announced 677,795 job cuts in 1998, the highest number of the decade (Hoffman, 1). This is a very high number for 1998, how will it be in the new millennium?

The one main question is, is downsizing ethical? That is a hard question to ask. Some say it is, where others say it is not, and is necessary for a corporation to keep existing in to day s market. When it comes down to downsizing I found it interesting from one authors view of the values to agree on a set of values to use as a reference point. Kenneth W. Johnson uses the acronym EPIC to define the values set: E=Empathy- caring about the consequences of ones choices as they affect others. Being concerned with the effect one s decisions have on those who have no say in the decision itself. P=Patience- taking time to consider and deliberate the long-term consequences of a choice before making that choice and acting upon it. I=Integrity- making choices that are consistencies with each other and with the stated and operative values on empress. Striving for ethical congruence in one s decisions. C=Courage- choosing to do what one believes is right even if the result will not be to everyon’s liking or may lead to personal loss.

As managers how do we protect ourselves legally and with as much ease as possible of the pain of downsizing? One way is to make sure you have a business justification. The company establishes credibility with both the departing and remaining staff by having a well-communicated consolidation plan. A written statement that explains the business reasons for the staffing changes is imperative (Hoffman, 1). Review plant-closing regulations to ensure compliance with notification laws for employees, state and local government officials. The written notification should include the date of the layoff, the justification, name and address of unemployment, and the name of the state authority you will be notifying (Hofffman, 1).

Evaluate the different jobs and see if they can be combined and then look at the employee s and see if they also can be combined to those jobs. Most managers like to keep the most productive employee s than those who are not. Before you do this make sure you have performance reviews on all employees or it could come back at you, because it is hard enough to lay off employees. To make things a little easier the employees should hear of the downsizing form you as early as possible. That way they can start the process of looking for another job. The main thing is to keep in mind is to treat those, as you would want to be treated, that type of respect can go a long way.

There are many more writings on this type of topic and others when it comes to business, and I myself found it interesting, and at times a little frustrating to read what some businesses can or wont do for their employees. I know I will do every thing in my power to do right even if at times they may think it is not.

As for the class it would be wise to know the ins and outs of downsizing for legal proposes and for personal proposes. The knowledge can go a long way and make it a little better for all of those concerned.