

DO YOU JUMP, OR WAIT TO BE PUSHED?

(Or, what is the result of delaying, downsizing, re-organization and re-engineering?)

Economic indicators and noises from industry and commerce during the past few months, all appear to suggest, again, that if the United Kingdom is not to slip into yet another recession, the third in the past two decades then it will, at least, drop into a period of zero or very limited growth. The number of business failures, since the beginning of the year, is on the increase and, the slowdown in domestic demand is beginning to bite. According to pundits business failures lag the fall in economic activity so, the worse may yet come.

Industrial and retail circumstances have not been helped, to say the least, by the decision-making group who form the Monetary Policy Committee (MPC) of the Bank of England who, against 'coal-face' advice from many sectors, raised interest rates many times during 1998.

The result is that, already, we have seen reported instances of companies 'laying off' thousands of workers in an effort to avoid financial collapse brought about by higher than necessary interest rates, certainly when compared to interest rates in the United States, Japan and in other EU countries, coupled with an overvalued pound.

In the City, and throughout the industrial heartland in the Midlands, the Northwest, Northeast and Scotland, there is a smell of redundancy in the air. But, are redundancies yet threatening management jobs and positions and, what can one do to prepare for the possibility of a P45? The senior management mantra of the early 1980's and 1990's, that of the need for constant change because all change is progress, heralded two periods of downturn lasting approximately 3 years and to the loss of many thousands of managerial positions. A position from which many companies failed and many others failed to recover lost ground.

Most of us, it would seem, are rarely prepared for the chilling discussion with the Chief Executive, Managing Director or other senior management which ends in trite statements like, "we have to let you go" or, "it simply isn't working out" or, "we have decided not to keep an operations division". And, because we are often so engrossed in what we do we rarely see the warning signs that others within the organisation, even within our own division, have already picked up on; another case of not having 20:20 vision in foresight.

I well remember my own rude, crude and appalling break from a well-known engineering company who had taken a 'quantum leap' into the service sector by diversifying into providing radio and telecommunication services.

On the particular day in question, it was a Thursday; I was interviewing candidates for the position of Manager (Engineering) in the operations division for which I was responsible. Some time round mid-day the Managing Director came in and asked me to cancel any lunchtime arrangements I had made and to join him at a very expensive restaurant in the area. I was shocked when, after the starter course had been served, he burst straight in with the statement that "we think it is not working out because we do not like your open, honest and straightforward manner". As you can imagine lunch, no matter the surroundings or the cost, tasted like cardboard and the conversation, from then on, was particularly stilted.

I knew that I had made myself a little unpopular at the Monday morning board meetings by suggesting that we could not offer services to prospective customers without a concerted effort in providing correctly engineered site services and back-up facilities and, that it was

imperative I had my own staff of full-time uplink operator engineers to keep the system running. But, I had no idea that some of the other directors had seen fit to move against me.

A short while later I discussed the situation with some former naval officer colleagues who had made the transition from the military to the commercial world during the previous decade. They all suggested that I could have been used as the 'fall guy' and the excuse for the fact that the company had not brought in revenue to cover the cost of investment in equipment. On reflection this seemed plausible, not because I needed a reason, but because whenever a company suffers a financial downturn it will always look for someone to blame. But, it did not ease the pain of anger, frustration and sadness at the way I had been treated nor the quite pathetic way in which it was decided that I should leave the company.

I realized, for the first time, that the commercial world was cut-throat and that there was no sense of integrity, loyalty and commitment; that some would always seek to either spread the blame for something not working or shift responsibility onto one person or section within a company in order to save their own skins and jobs.

I digress. Since the early 1980's the first indications that heads might roll have been through internal memoranda, from senior management, stating that so-and-so financial and management consultants are being brought in to provide advice. The consultants, eager to earn their not insubstantial fee, usually recommend, more often than not, a number of programmes all designed to save costs by reducing overheads. Senior management, keen to maintain share price, tend to go along with these recommendations as a way of providing shareholders, and the market, with an indication that costs are being cut.

In the meantime, and as a way of reducing the level of internal concern, the advent of redundancies is preceded by re-organization programmes where one section is moved to another level or is re-located within another division thus allowing the system to remove one or more levels of management, again as a means of reducing overheads.

This illusory exercise is much like 'shuffling deck-chairs on the Titanic' in that it gives the impression that there is a great deal of activity and forward thinking but, in reality, it serves to hide the real purpose - the fact that reduced circumstances will lead to the loss of jobs.

Others, mindful of the increasing levels of pressure on the remaining staff in delayed and downsized organizations, are introducing counselling schemes to deal with stress. I have never subscribed to the concepts of downsizing and delayering believing, instead, that the optimum shape for any company organization is the fundamental pyramid. The question one must ask of stress counselling programmes is; are they being done for the benefit of the employees, or, for the benefit of the employer? It is possible that the employer has access to additional personal information or to reports from nominated counsellors. Therefore, is the advice being provided to allow an organization to add another tick to the self-assessment form for some kind of quality status award or, another means of not considering employees for advancement?

Appallingly, many organizations have, in the last few years also seen fit to remove older employees and middle managers because of the increased cost of contributions and in a vain effort to bring in younger and cheaper employees. What they fail to appreciate, apparently, is the fact that middle managers form the backbone of many companies not just because of experience but because they are the ones with most contact with customers and, further, they act as the bridge between senior management and the shopfloor employees.

Most directors of companies are rarely honest when it comes to delayering, downsizing and re-organization exercises and programmes. Few have the ability to say, openly, that the

company has a problem and that overheads are being reduced to achieve savings and that is why they use excuse phrases.

According to research there are a number of hackneyed phrases, used by senior management in memoranda and company briefings, that gives an indication of the likelihood of reducing overheads through redundancies. These phrases include:

- Delaying and downsizing;
- Re-structuring the business to meet a new 'paradigm';
- Re-engineering of internal processes;
- Moving towards flatter organizational structure;
- Re-focusing the business;
- Concentrating on core activities;
- Internal re-organization;
- Adjusting to the demands of the market;
- Cutting out levels of bureaucracy;
- Putting the company on a firmer footing;
- Making efforts to reduce overheads;
- A change in strategic direction;
- Following global patterns and trends;
- Increasing competitive edge;
- Creating multi-functional cross-trained teams;
- Choosing a new corporate identity and direction
- Re-branding.

There are a number of recognisable signs that indicate you, as a manager or supervisor, are, perhaps, no longer in favour with your peers and that the possibility of redundancy is just around the corner. They include:

- You applied for promotion to a senior position for which you are qualified and have the necessary experience but you are passed over in favour of a younger candidate or an external candidate who, possibly, has no idea of the culture of neither the company, organization nor the people who are employed there.
- The higher profile jobs, tasks or projects, for which you have the necessary skills, experience and qualifications, are no longer passed to you but to other people in the group or section. Worse, these same people often come to you for advice as to how best to tackle a problem and how you dealt with it on previous occasions.
- There has been a recent spate of managers, from senior levels, leaving the organization "to pursue other opportunities".
- You are not invited to participate in meetings and discussions where important areas of business like strategy and direction or changes to working practices and procedures are discussed.
- Previously you were praised for your effort, commitment, professional ability and other skills but now you are ignored, again, in favour of newer members of the team, group, section or division.
- Most important of all, working in the company or the organization is no longer challenging or fun as it used to be and other members of the team, group,

section or division are adopting a lower profile. If you longer enjoy or derive any satisfaction from what you are doing then why on earth are you still there?

So, how do you prepare yourself for the possibility of not having to commute?

First, you should always have 'another string to your bow'. You must do this by 'keeping a weather eye open' for other possible openings or opportunities through all sections of the media, television (CEEFAX and TELETEXT pages), the broadsheets, professional magazines and local newspapers. Finding a job these days is increasingly difficult and demands a great deal of time and effort. If conditions or circumstances are that bad one might even drop hints to acquaintances or business colleagues. Of course, it does not pay to be too obvious, your colleagues and acquaintances may be in a similar position.

Second, you must try to make yourself as employable as possible. You do this by keeping yourself up to date not only in your chosen profession, although career patterns and career progression these days are unreliable, but also by taking as many courses as possible as part of a personal programme of Continual Professional Development (CPD). Course areas to consider are information technology (IT) and general administrative management.

Third, with the advent of the Internet there are, literally, hundreds if not thousands of recruitment companies and organizations who use websites to offer their services. Many of them not only advertise vacancies but they will accept curriculum vitae's electronically and, publish details of people on their lists who might be available for employment opportunities. Many of these services are free and, it would do not harm to register with some of them. However, do ensure that they do not have a general policy of selling, spreading or sharing CV's with other recruitment companies.

Fourth, use the services of the local library and check through reference books, such as CEPEC and The Executive Grapevine, which provide details of recruitment organizations. And, produce a list of companies, or business sectors, in which you would like to work. Use the information in KOMPASS and The Top 2000 Companies to refine your information and write direct to directors listed in the company records having first checked with the company switchboard that he or she still works there. Do not write to Personnel Departments nor send letters to Human Resource Directors because, frankly, they are rarely in a position to offer interviews let alone jobs. Anyone who refers to people as a 'resource', just like a computer, a desk or a chair, is unlikely to treat you correctly.

Professional institutes, academics, management gurus, business schools and senior management has spent much of the past decade telling us that there is no longer any such thing as a paternalistic company. That there is no such thing as a 'job for life' and that individuals are responsible for their personal career patterns, training programmes and courses. And, that loyalty to one organisation throughout one's working life is foolish.

Let us be frank, companies and organizations over the last decade or so show very little loyalty and commitment to their employees; senior managers tend to concentrate on the 'bottom-line' rather than ensure that their employees are looked after; and, directors tend to be in the business of making sure that their jobs and careers are safe. Therefore, we all ought, perhaps, to take a leaf out of the Boy Scout's motto and be prepared for any eventuality. You should never stop looking.

(2250 words)

KENNETH ARMITAGE

(1999)