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The implementation of corporate downsizing by human resource managers, a phenomenological study

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Pepperdine University

Graduate School of Education and Psychology

THE IMPLEMENTATION OF CORPORATE DOWNSIZING

BY HUMAN RESOURCE MANAGERS,

A PHENOMENOLOGICAL STUDY

A dissertation submitted in partial satisfaction

of the requirements for the degree of

Doctor of Education in Organization Change

by

Denise Fazio

February, 2011

Ed Kur, Ph.D. - Dissertation Chairperson

This dissertation, written by

Denise Fazio

under the guidance of a Faculty Committee and approved by its members, has been submitted to and accepted by the Graduate Faculty in partial fulfillment of the requirements for the degree of

DOCTOR OF EDUCATION

Doctoral Committee:

Ed Kur, Ph.D., Chairperson

Daphne DePorres, Ed.D.

Susan Nero, Ph.D.

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VITA

ACADEMIC HISTORY

2003-2010	Pepperdine University, Culver City, CA Ed.D. in Organization Change
1992-1995	University of Denver, Denver, CO M.S.S in Applied Communication
1986-1987	University of Illinois, Chicago, IL B.A. in Political Science (emphasis in Sociology)

PROFESSIONAL HISTORY

2000 to Present	Amgen, Inc., Longmont, CO Sr. Mgr., Human Resources; Training & Development Mgr.; Training Specialist III; Associate Mgr.
1998 to 2000	ING Security Life, Denver CO Organizational Development Consultant; Human Resources Client Mgr.
1997-1998	Burke, Inc., Cincinnati, OH Mgr., Employee Relations and Training
1995-1997	United Way and Community Chest, Cincinnati, OH Mgr., Leadership Development
1992-1995	Institute for Mediation and Arbitration Trng., Denver, CO Independent Consultant

PROFESSIONAL ASSOCIATIONS

2001 to Present	Member of the Society for Human Resource Management
2008 to Present	Member of the Boulder Area Human Resource Association
1996 to Present	Member of the Organization Development Network
2004 to 2008	Member of the Academy of Management

ABSTRACT

This descriptive study explored the phenomenon of corporate downsizing as experienced by Human Resource (HR) managers who were directly involved in its implementation. It was concerned with two primary questions: First, what is the essential structure of the phenomenon of downsizing as experienced by the Human Resource (HR) managers who have been directly involved in its implementation? Second, how does this phenomenon or experience take place? Through the detailed descriptions of four corporate Human Resource managers' downsizing experiences—gathered through in-depth, face-to-face interviews—and my analysis of that data, I explicated the structure (the relationship among the most invariant constituents of the phenomenon) and meanings (implications) of those lived experiences. Though the downsizing particulars differed, the interview data revealed a structure such that, for each of the four participants as the person who had ownership for implementing the downsizing, the overall experience was one of acceptance of the business necessity for the downsizing, coupled with anticipation of its being emotionally difficult. The emotionally challenging nature of the downsizing created internal conflict in as much as each participant experienced tension between his or her professional role and responsibilities (duty to the corporation) and his or her personal values and preferences (empathy for the impact the downsizing had on staff who were terminated and the residual effect on all those who remained). This induced each participant to develop and implement a downsizing plan intended to minimize the potential harm both to the corporation and to its staff. Each participant's prior downsizing experience engendered confidence he or she could do what was necessary despite its being difficult, though this did not obviate their need for recovery afterward.

Chapter I. The Prevalence of Downsizing

Downsizing and the 2007-2009 Recession

Downsizing, *rightsizing*, a *reduction in force*, a *layoff*, *corporate restructuring,* or whatever you choose to call it, has become a fact of corporate life (Cenek, 1995; Marks & De Meuse, 2003). In 2006, the U.S. Bureau of Labor Statistics reported there were 1,484,391 unemployment claims that resulted from 13,998 *mass layoff events* (United States Department of Labor, Bureau of Labor Statistics, 2008a); namely, situations in which at least 500 employees of a given organization, excluding part-time employees, or 33% of the employees at a single site, lost their jobs within a 30-day period. A year later, as 2007 was coming to a close, the number of unemployment claims related to mass layoffs was 1,598,875, a 7.7% increase over 2006 (United States Department of Labor, Bureau of Labor Statistics, 2008a), attributable, at least in part, to a downturn in the housing market and predictions of an impending recession.

Indeed, in 2007, my own employer, a Fortune 500 company, reduced its workforce by approximately 14% through multiple approaches. Some of my employer's reductions in workforce occurred because staff who met company-defined eligibility requirements accepted the offer of an early voluntary termination package, also known as a voluntary separation program (VSP; Bliss & Thornton, 2006, pp. 45-47; McGlothlen, 2004), while other staff found themselves being involuntarily terminated. Some of the reductions were due to attrition, as well as to a hiring freeze. My employer's decision to downsize and restructure was driven by lagging sales, unfavorable rulings by government agencies, and other challenging and changing market conditions.

As yet another year passed, economic conditions generally worsened. During 2008, a global "financial crisis swept away venerable banks, American house prices fell more steeply than at any time since the Great Depression, there were food riots in developing countries and scary gyrations in the price of oil" (Bew, 2008, p. 16). Economists declared the U.S. economy had been in a recession since December 2007 (Borbely, 2009; "the world," 2008/2009). Only two of the 30 Dow Jones industrial stocks, Wal-Mart and McDonalds, managed not to fall more than 10% as the "markets limp[ed] into 2009" (Bajaj, 2009).

Americans did not need to read newspaper headlines or to watch the nightly news to be aware of the economic crisis, however. They (or someone they knew) were experiencing its effects. They felt the fallout from the collapse or near collapse of financial and insurance behemoths such as Bear Stearns, Lehman Brothers, AIG, Merrill Lynch, Freddie Mac, Fannie Mae, Wachovia, Washington Mutual, and others (Franklin, 2008, p. 74). They saw their retirement plan accounts and other savings drop significantly in value as the Dow Jones Industrial Index declined 33.8% (Bajaj, 2009; Krantz, 2009; "What's news," 2009), the single greatest slump since 1931 when stock prices fell 40.6% (Bruno, 2008). They witnessed the loss of over 500,000 jobs in the first half of 2008 (Abruzzese, 2008), and again over 500,000 in the fourth quarter of 2008 alone (United States Department of Labor, Bureau of Labor Statistics, 2009a). They applied for unemployment benefits in record numbers as the jobless rate in November 2008 reached 6.7%, up two full percentage points from 4.7% a year earlier (United States Department of Labor, Bureau of Labor Statistics, 2008b)—and predicted to continue rising, reaching 7% or higher in 2009 (Ip, 2008, p. 39). Instead, "the nation's unemployment rate bolted

to 7.2 percent in December [2008] … capping one of the worst years in modern history for American workers" (Aversa, 2009, p. *Wall Street West 1*).

> Average weekly layoff events rose from 360 in November 2007 to 644 in November 2008, and average weekly initial claimants increased from 39,644 to 60,397. In 2008, both average weekly events and initial claimants reached their highest November levels in program history (with data available back to 1995; United States Department of Labor, Bureau of Labor Statistics, 2008b).

Undeniably, 2008 was a dreadful year for many American workers. The number of initial claimants for unemployment insurance (seasonally adjusted), for all of 2008, increased almost 44% over the previous year (United States Department of Labor, Bureau of Labor Statistics, 2009b).

Regrettably, the recession persisted into 2009. Looking back at 2009 now, while the percentage increase for 2009 as a whole was not as steep as it had been for 2008, the total number of initial unemployment claimants was 2,847,065, which represented a 27.1% increase over 2008, and almost double the number of claimants for 2006 (United States Department of Labor, Bureau of Labor Statistics, 2010a). In addition, the average length of unemployment exceeded 6 months, the first time this had been the case since the Bureau of Labor Statistics began recording such data in 1948 (Peck, 2010, p. 42). Approximately 4 out of every 10 displaced workers had been unemployed for 27 weeks or more (United States Department of Labor, Bureau of Labor Statistics, 2010b).

> During the 26 months *from December 2007 through January 2010*, the total number of mass layoff events (seasonally adjusted) was 53,739, and *the associated number of initial claims was 5,425,101* [emphasis added]. (December

3

2007 was the start of a recession as designated by the National Bureau of Economic Research.)

The national unemployment rate was 9.7 percent in January 2010, seasonally adjusted, down from 10.0 percent the prior month but up from 7.7 percent a year earlier (United States Department of Labor, Bureau of Labor Statistics, 2010a).

What was not included in these statistics were the significant numbers of formerly employed Americans who exhausted their unemployment benefits, stopped looking for work, and/or reluctantly settled for part-time employment and/or under-employment. In February 2010, the U. S. Bureau of Labor Statistics (2010b) reported there were an estimated 14.9 million unemployed Americans. And "each number represents a colleague, a contributor or a friend" (Fox, 2008b, p. 45) to the Human Resource (HR) professional who was likely involved in helping to deliver the bad news.

A key role and responsibilities for HR professionals. Given downsizing's effects on the workforce, both on those who are displaced by job eliminations and on those who remain in a corporation's employ, it is reasonable to expect HR professionals to have a key role and responsibilities in the implementation of downsizing. Still, downsizing represents a "relatively new phenomenon" (Cappelli, 2008, p. 1) for Human Resource professionals in the United States. While HR professionals are accustomed to the possibility of having to involuntarily terminate staff for cause—namely, for poor performance or misbehavior—downsizing typically results in the involuntary termination of staff through no fault of their own, and its widespread use as a business strategy (or reaction) is comparatively recent (Cappelli, 2008).

The U.S. Bureau of Labor Statistics didn't even begin to track permanent job

losses until the mid 1980's, when it also began to use the term "displaced workers"

(Cappelli, 2008, p. 1). Historically, layoffs were relatively commonplace in

manufacturing as a way to deal with short-term downturns in demand for product. But

layoffs were understood by employers and employees to be a temporary condition.

Layoffs were often considered a last resort and usually affected only blue color workers

(Cappelli, 2008).

Today, however, permanent mass job losses are prevalent, as illustrated, and can

be the corporate response to many factors, some of which are highlighted in this section.

In addition, staff at all levels of an organization are now vulnerable to being involuntarily

terminated as the result of a corporate downsizing—including members of the HR

department, as this study also confirmed. Consequently, "conducting [downsizing] has

become just another part of HR professionals' jobs…." (Fox, 2008b, p. 45). The

challenging job of downsizing for the HR professional could be compared to that of the

domestic court judge who has to make a tough child custody decision or the social

worker who has to separate siblings for placement in foster care. "A great deal of

substantive knowledge" (Cappelli, 2008, p. 4) and stamina are essential to do the job

well.

The HR professional's responsibilities for downsizing lie along a continuum that

may begin with exploring alternatives to downsizing and end with attempts to rebuild the

trust and morale of staff after downsizing resulted in jobs being eliminated and some staff

being displaced—or, it could end with the HR professional being displaced and looking

for another job.

Alternatives to Downsizing   Decision to Downsize   Selection Criteria   Communication of News   Rebuild Trust   Corporate Reorganization, or Job Search

Figure 1. Continuum of the HR professional's downsizing responsibilities

At the center of this study is the experience of the HR professional involved in his or her corporate employer's downsizing initiative. The Key Concepts section provides additional information about the role and responsibilities of HR professionals with respect to downsizing, together with an explanation of what is meant by *sensemaking* and an overview of the concepts relevant to a phenomenological approach for exploring the HR professional's downsizing experience.

A slow recovery from the recession. It is worth noting that while economic forecasts in the latter part of 2009 were hopeful the American economy was beginning to emerge from the recession, economic reports in the first quarter 2010 suggested Americans might be in for a long, slow recovery (Peck, 2010). Historically, unemployment rates have tended to rise even after a recession came to an end. For example, unemployment peaked in 2003, 19 months after the end of the 2001 recession (Aversa, 2010). Conflicting reports about the economy, a tight job market, falling home prices and a record number of foreclosures, a growing federal deficit, and lost retirement savings are contributing to ongoing anxiety among American workers that more downsizing may be in store. Many employees are aware of the research that claims once an employer has downsized its workforce, subsequent downsizings are more likely "as ongoing staff reductions are etched into the corporate culture" (Cascio, 2002, p. 31).

What is sometimes overlooked is the possibility that new opportunities may also exist for employees who experience corporate downsizing (Fox, 2008b; Giles, 2008), including transformative learning and new ways of defining themselves and their work roles (Mezirow, 1991; Trochiano, 2008)—though it seems this possibility is likely to be improbable for most of those who are currently un- or under-employed.

Purpose

The purpose of this qualitative study is to explore the phenomenon of corporate downsizing as experienced by Human Resource (HR) managers who have been directly involved in its implementation. Through the detailed descriptions of four corporate Human Resource managers' downsizing experiences, I have explicated the structure (the relationship among the most invariant constituents of the experience) and meanings (significance) of those lived experiences—which, in turn, may offer a sensemaking framework for other HR managers who find themselves charged with implementing downsizing initiatives within their own organizations and engaged with trying to make sense of their unique role and responsibilities in doing so.

We human beings are unique in our ability for self-reflection (Hoyle, Kernis, Leary & Baldwin, 1999, p. 20). We are also social creatures, dependent on our associations and interactions with others for our physical and psychological survival. Sensemaking, as referenced above, is about how individuals ascribe relevant meanings to their work situations. An important concept for practitioners in the field of organizational theory is the question of how "meanings materialize that inform and constrain identity and action" (Mills, 2003, as cited in Weick, Sutcliffe & Obstfeld, 2005, p. 409).

If Human Resource managers are going to be able to develop effective responses to changing organizational conditions, they must be able to monitor and make sense of what they see, hear and understand about their organizational environments, as well as about their own reactions. Their sensemaking is not done in isolation, however. It evolves in a social context (as well as in an historical one), in their interactions and communications with others. In the fields of organizational development and psychology, this has been termed *intersubjectivity*, referring to a social reality created as a result of one's "individual thoughts, feelings, and intentions" (Weick, 1995, p. 71) being discussed and becoming combined with others'. Indeed, a person's fundamental sense of self has been shown to be dependent on interactions with others (Hoyle, et al., 1999). Hence, "*all* social meanings are intersubjective" (Spurling, 1977, p. 190); they are created, maintained and transformed through our interactions with others. The concept of sensemaking is explored further in the Key Concepts section.

Research Questions

This qualitative study is concerned with two questions: First, what is the essential structure of the phenomenon of downsizing as experienced by corporate Human Resource managers involved in its implementation? Second, how does this phenomenon or experience take place? (Creswell, 2007; De Castro, 2003). Or, stated somewhat more simply: What is the downsizing experience like for HR managers who have lived through it? These research questions are consistent with qualitative research generally, which traditionally has been interested in *what* and *how* questions (Holstein & Gubrium, 2005, p. 499).

The intended outcome of this study is to discern the situated or general structure of the downsizing experience for the four corporate Human Resource managers who lived it and were participants in this study. The purpose is not to universalize their experiences or to make claims that all corporate Human Resource managers will experience the implementation of downsizing in the same way. Questions about why corporations choose to downsize, or whether corporations are generally successful in meeting their business objectives in doing so, whatever those objectives may be, are not within the scope of this study.

The Data Collection and Storage section of Chapter III provides detailed information about the interview questions and process utilized.

Significance

This study is significant for at least five reasons. As evidenced by the Bureau of Labor Statistics cited at the outset, the most significant reason relates to the increasing and unsettling prevalence of corporate downsizing (Aversa, 2009; Malveaux, 2009; United States Department of Labor, Bureau of Labor Statistics, 2008b)—though downsizing has certainly not been confined to the private sector or to the United States (Cascio, 2005; Kidder & Ryan, 1995). The phenomenon of downsizing "has become a way of life" (Trochiano, 2008, p. 94). It produces obvious primary and secondary effects. Most directly impacted are the employees who lose their jobs—together with their families, who also feel the consequences. And, there are the secondary effects on entire communities and geographic regions, on national and global economies (Karake-Shalhoub, 1999, p. 125).

Second, while there have been research studies conducted and books and articles written, both scholarly and mainstream, the specific focus and methodological approach of my research does not appear to have been addressed previously. According to Regent University professor Franco Gandolfi (2006), the reactions of those "entrusted with the planning, execution, and evaluation of a downsizing activity" (p. 79)—those he refers to as *executors,* and Kret de Vries (1997) calls *executioners*—represent "a significant research gap in the literature" (Gandolfi, 2006, p. 79). The majority of the research to-date has addressed the outcomes for those who are displaced (commonly referred to as *victims*), followed by those who remain with a corporation after it has downsized (*survivors;* Gandolfi, 2006; Gandolfi, 2008a). Human Resource managers are in a unique position because they are not only involved as implementers, or executors, of their corporations' downsizing initiatives, but are also vulnerable to being involuntarily terminated themselves—similar to any other corporate employee (Gandolfi, 2006; Mendenhall, Kalil, Spindel & Hart, 2008). Inexorably, Human Resource managers will find themselves in the category of either downsizing victim or survivor.

Third, Human Resource managers in the United States are almost always involved in implementing their companies' downsizing initiatives in order to ensure compliance with state and federal statutes regulating termination practices (Fox, 2008b). (They may also be involved in the design of a downsizing initiative, together with corporate leaders and sometimes with external consultants.) In the more than two decades "since the modern layoff first appeared as a mass phenomenon in American life" (Uchitelle, 2007, p. ix), various laws have been passed to protect the American worker. This is especially true for those in the so-called *protected classes*, for whom there are legal safeguards

against employment discrimination based on personal characteristics (Birk, 2008; Fox, 2008a; Karake-Shalhoub, 1999; McKee & Woodard, 2003; Model, Reardon & Haan, 2008; Stewart & Brown, 2009; more is said about this in "The corporate human resources arena" section, in Key Concepts). As the implementers of downsizing initiatives, Human Resource managers may play a significant role in designing future downsizing initiatives, yet little is known about what they've learned from their experiences as implementers and subsequently might change and apply to their work as downsizing designers. Given the role and responsibilities of Human Resource managers overall, the ways in which they understand and make sense of their downsizing experiences are timely and highly relevant.

Fourth, the phenomenological method employed has produced descriptive data of Human Resource managers' downsizing experiences that might be used "to guide wider- and larger-scale studies from an informed starting point" (Jasper, 1994, p. 311).

Lastly, there exists my own curiosity about this phenomenon (Locke, Spirduso & Silverman, 2000). Throughout my life I have found it instructive and gratifying, generally, to listen to people talk about their experiences and what significance those experiences have held for them. My life has been enriched in countless ways by others' willingness to reveal themselves, their stories, and the wisdom they have gained through their life experiences. Presently employed as a Human Resource manager, and having been involved in the implementation of my own employer's 2007 downsizing initiative, I have a keen interest in discovering how others within my profession have experienced this particular requirement of their job responsibilities.

Key Concepts

An overview of the key concepts applicable to this study follows. These concepts fall into three broad categories: The corporate human resources arena, sensemaking, and phenomenology.

The corporate human resources arena. *Human Resource* (HR) management, previously referred to as Personnel, is a professional field of study and practice intended to provide people-centered strategies and solutions to support an organization's overall business strategy. Primarily, Human Resource management (HRM) is concerned with the most effective and efficient management of an organization's human capital; namely, its employees (Stewart & Brown, 2009). "To increase the success of the organization by improving decisions that depend upon or impact people" (Boudreau & Ramstad, 2007, p. 9) is one way of describing the primary purpose of Human Resource management.

For the purposes of this research study, the term *Human Resource (HR) professional* refers, specifically, to any employee who has the responsibilities and job title of manager (including senior manager, director, vice president, etc.) in a corporate Human Resource department or function and designs and delivers Human Resource policies, practices and procedures (Ulrich, Brockbank, Johnson, Sandholtz & Younger, 2008, pp. 3-6). The terms *Human Resource professional*, *HR professional*, *Human Resource manager,* and *HR manager* will be used interchangeably throughout this study, as will employee and staff member, and employees and staff. (For additional information about HR managers as the subject of this study, see Target Population in Chapter III.)

Corporate Human Resource departments usually have oversight for all aspects of the employer-employee relationship (Renckly, 1997). For this reason, Human Resource

managers may have a variety of roles and responsibilities depending upon the

corporations for which they work—determined in part, perhaps, by an organization's size

and sophistication. Consequently, they may be specialists supporting one specific

functional area, such as compensation and benefits, or they may be generalists, routinely

involved in supporting all or nearly all of the Human Resource functional areas. These

Human Resource functional areas may include: Staffing and retention, talent

management and succession planning, performance management, compensation and

benefits, change management, employee and labor relations, training and development,

health and safety, Human Resource information systems (HRIS), and others. Regardless

of an organization's size and sophistication, however, the roles and responsibilities of

corporate Human Resource managers normally "go far beyond processing employment

applications" (Stewart & Brown, 2009, p. 13), as may have been the case early in the

history of Personnel departments (Renckly, 1997, p. 8).

Furthermore, the responsibilities of Human Resource managers can be both

strategic and tactical. For example, a Human Resource manager may be responsible for

working with other organizational leaders to create and put into action the corporate

strategy. Change management may be one possible example of a Human Resource

manager's responsibilities (Stewart & Brown, 2009), which has both strategic and tactical

elements. Within the context of change management may emerge a shared responsibility

between executives and Human Resource managers for the design and the

implementation of corporate downsizing initiatives.

Eliminating, reducing, and/or outsourcing a workforce. *Downsizing*, *rightsizing,*

and *reduction in force* (RIFs) are all business euphemisms for eliminating, reducing,

and/or outsourcing the workforce. Usually, Human Resource professionals make a

distinction between downsizing, *layoffs* and *furloughs*. When corporate staff are laid off

in response to a short-term economic downturn or because of the seasonal nature of their

work, those employees expect to return to work when demand for the company's

products or services rises again. It is as if the laid-off employees are on a temporary,

unpaid leave of absence from the company (Mathis & Jackson, 2003, pp. 48-51; Sommer,

2003, p. 255). As an alternative to layoffs, a furlough requires all staff (except, possibly,

those who perform critical business functions) to work fewer hours, or to take a brief

amount of time off without pay (Society for Human Resource Management, 2008, p.

80)—though staff may be able to use their accrued, unused vacation time if preferred.

The furlough might require, for instance, that staff work for one day less each workweek

or month, or take one week off during the holidays or the summer.

Downsizing, on the other hand, involves mass job eliminations and corporate

restructuring based on an organization's desire to boost productivity, to operate more

efficiently and / or to improve its competitive position, even though the demand for its

products or services may still be strong. Downsizing, therefore, may be perceived as the

quickest way to boost earnings by reducing labor and benefits costs—a fixed expenditure

that is often one of the largest on an organization's expenses balance sheet (Mathis &

Jackson, 2003, pp. 48-51; F. Failing, personal communication, April 12, 2010). In these

scenarios, downsizing is utilized as a proactive, anticipatory management strategy to

restructure the organization and to increase its overall performance (Gandolfi, 2006). It is

a "strategic maneuver aimed at achieving long-term organizational ends" (Gandolfi,

2006, preface).

Downsizing might also be the management's reactive response to a merger and acquisition that has created unnecessary redundancy within the organization. Or, it might be a defensive response to a recession or to filing a Chapter 11 bankruptcy. In both cases, the reactive and the defensive responses are to a perceived short-term crisis or a specific business need.

Regardless of the reasons for downsizing, employment downsizing often precludes the rehiring of employees who lost their jobs as a result of the corporation's actions (Mathis & Jackson, 2003); downsizing typically involves a permanent separation from service (Society for Human Resource Management, 2008). Downsizing, reduction in force (RIF) and rightsizing are terms that are often used interchangeably. All refer to the termination of staff and the elimination of their jobs in the interest of improved corporate performance or to advance the corporation's business strategy (Mathis & Jackson, 2003).

It is worth noting that the termination of employees in a downsizing may be voluntary or involuntary. In some instances, organizations may downsize by offering an early retirement buyout or a voluntary separation program to employees who meet certain corporate-constructed criteria, perhaps with respect to their age and years of service (Bliss & Thornton, 2006, pp. 45-47; Mathis & Jackson, 2003, p. 50). Or, an organization may downsize through attrition; namely, by not backfilling positions vacated by employees who have resigned (Mathis & Jackson, 2003, p. 50). Both of these are examples of corporate downsizing through voluntary employee termination. Other times, however, the termination of staff will be involuntary since the decision about what jobs

will be eliminated and which staff will be terminated is made by management and employees have no voice in the decision.

Outsourcing is yet one more way corporate employees may find themselves being involuntarily terminated. Outsourcing involves handing over some part of an internal corporate business function to an external service provider which has the expertise and resources necessary to do the work for the corporation (Bogardus, 2007, p. 489). The external service provider and the corporation enter into a written contract that defines their service level agreement; namely, what services will be provided to the corporation by the external service provider, at what performance levels and cost, and for what period of time, etc.

Typically, the goal of the corporation which chooses to outsource is improved organizational productivity. Outsourcing enables the corporation to focus on its core business operations—though it can be argued that the determination of what is core to the business and what is non-core may be an outcome of outsourcing, not its cause (Mukherji & Ramachandran, 2007, p. 104). Regardless, outsourcing allows a corporation to reduce its workforce, which typically constitutes its highest line item expense. Corporate employees who had been doing the work are no longer needed once that work is outsourced to an external service provider. Sometimes, the external service provider may hire those corporate employees who had been doing the work that is now being outsourced. In which case, these former corporate employees may find themselves back doing the same jobs they did before, even at the same location. However, their employment status changes from that of regular full-time corporate staff member to that of contract or contingency worker, often without their prior rights or benefits.

Outsourcing, like downsizing, has become part of the American business lexicon and practice since the 1980's (Bogardus, 2007; Gordon, 1996; Mathis & Jackson, 2003) and is just one more way for an organization to downsize its workforce.

Employment law. Conceivably, a corporate employer should have the latitude to reduce its workforce if its financial circumstances warrant that it downsize and restructure its business operations (Steingold, 2009). Practically speaking, however, if a corporate employer is not fully cognizant of the relevant employment law protecting workers' rights, that employer may make itself vulnerable to a claim of *wrongful discharge* (Mathis & Jackson, 2003, p. 516), even in the case of downsizing. Wrongful discharge may occur if an employer terminates a staff member for reasons deemed illegal or improper (Mathis & Jackson, 2003, p. 516; Steingold, 2009, p. 206). If, for example, staff who belong to a protected class of employees are disproportionately represented among those who are being terminated due to downsizing, they may have cause to bring a legal claim of wrongful termination against the corporation, individually or through a class action suit (Society for Human Resource Management, 2009), and/or to file a discrimination charge with the Equal Employment Opportunity Commission (EEOC).

The term protected class refers to any group of employees who share a particular characteristic that is protected under equal employment laws and regulations. Title VII of the federal Civil Rights Act of 1964, for instance, prohibits discrimination based on race, color, religion, sex, and national origin. The Americans with Disabilities Act of 1990 (ADA) prohibits discrimination against current staff and job applicants with mental or physical disabilities, which limit a major life activity without taking mitigating measures, such as medication or medical equipment, into account (Guerin & DelPo, 2009, pp. 43-

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64). Various state and local laws may expand upon these categories of protected workers. (Guerin & DelPo, 2009; Mathis & Jackson, 2003; Steingold, 2009).

Federal and state statutes and regulations, as well as case law, which exist to oversee the employment relationship, are fairly extensive. (See Appendix A for an overview of additional regulations related to downsizing.) The competent HR professional is conversant with employment law and acts in accordance. Compliance with the law should be among the HR professional's primary considerations in planning for downsizing.

The EEOC issued a press release in January 2010, reporting that job bias claims approached record levels in 2009, with 93,277 charges being filed. Age-based discrimination charges were the highest ever received by the Commission; and claims of discrimination based on disability, religion and/or national origin approached record levels as well (U.S. Equal Employment Opportunity Commission, 2010). In attempting to explain the substantial number of discrimination charges it received, the EEOC speculated:

The near-historic level of total discrimination charge filings may be due to multiple factors, including greater accessibility of the EEOC to the public, *economic conditions* [italics this author's], increased diversity and demographic shifts in the labor force, employees' greater awareness of their rights under the law, and changes to the agency's intake practices that cut down on the steps needed for an individual to file a charge (U.S. Equal Employment Opportunity Commission, 2010).

Severance arrangements and unemployment benefits. Assuming an employer is compliant with federal, state and local statutes and regulations, that employer has some discretion in designing its downsizing strategy. For instance, if an employer made no contractual commitment to do so, the employer is generally not required to provide terminated employees with *severance pay*. Severance pay often consists of a lump-sum payment based on some formula; e.g., it may be calculated based on an employee's years of service and / or grade level within the corporation, or it simply may be an amount equal to a staff member's wages for a fixed period of time. Whether or not an employer chooses to offer severance pay may be contingent on any number of factors. These factors might include the employer's fiscal circumstances, its interest in providing the former staff member with a financial safety net until she or he can secure another job, the employer's perceived need to protect itself against potential legal claims (by asking former staff to sign a waiver and general release of claims in consideration for having received a severance payment), the company's values and operating principles, its desire to promote goodwill, and so on (Steingold, 2009, p. 214).

Nevertheless, not only is severance pay not legally required, providing severance pay in the current economic environment may not be commonplace. For instance, a 2009 survey of 1,200 unemployed workers conducted by Dr. Carl Van Horn and his colleagues at Rutgers University revealed that 84% of those interviewed received no severance pay from their former employers (John J. Heldrich Center for Workforce Development, 2009; Davis, 2010, p. 40). While a survey of 228 U.S. companies representing four and a half million employees by Hewitt Associates the previous year found that 51% had provided severance pay for those it had laid off in the past 24 months, Hewitt also predicted that

worsening economic conditions were likely to cause employers to re-examine their

severance practices (Hewitt Associates LLC, 2009). Hewitt reported,

>One in five companies (20 percent) plan to make changes to their severance plans
>
>and nearly a third (31 percent) are unsure. Of those making changes, 43 percent
>
>plan to reduce cash payments, and one in five (21 percent) plan to reduce benefits
>
>(Hewitt Associates LLC, 2009).

Severance pay notwithstanding, normally those whose employment is terminated

through no fault of their own—such as in the case of corporate downsizing—are entitled

to unemployment benefits under their state's unemployment insurance program

(Steingold, 2009, p. 217). For some displaced workers, unemployment insurance may be

their only contingency. Unemployment benefits were established as part of the Social

Security Act of 1935 to provide a source of temporary income, hopefully until the jobless

worker can secure gainful employment again (Society for Human Resource Management,

2008, p. 164). They are funded by federal and state payroll taxes paid by the employer,

and are administered by the state in which the unemployed worker resides (Colorado

Department of Labor and Employment, n.d.-c). It is worth noting that severance

payments can delay and/or reduce the unemployment benefit an unemployed worker is

otherwise entitled to receive under a state unemployment insurance program (Colorado

Department of Labor and Employment, n.d.-b).

Resources available to employers. While there is no single how-to guide for

conducting downsizing, there are numerous resources available for an employer's

consideration, particularly with respect to how to lawfully and humanely plan for its

successful implementation (Steingold, 2009). These resources are readily available

through such professional associations as the Society for Human Resource Management (www.shrm.org), which has extensive resources available in print and on-line (many without charge), as well as through vendors of legal information and services such as NOLO (www.nolo.com), BNA (www.bna.com), and others. Furthermore, corporate employers have access to employment law attorneys, perhaps even in-house counsel, as well as to employer associations such as Mountain States Employers Council (MSEC) in the Rocky Mountain region of the United States (www.msec.org) and to international career management and outplacement services firms, such as Right Management (www.right.com/) and others. It is important for HR professionals to bear in mind that former staff who feel as though they were treated with dignity and respect in the termination process are less likely to bring legal action against their former employers (Bliss & Thornton, 2006, p. 55)—though one hopes the desire to avoid a lawsuit would not be the only motivation for treating staff fairly and compassionately.

Sensemaking. The experience of downsizing is not the same for all involved. Downsizing may be regarded as a proverbial blessing by some employees and a curse by others. For the employee who wanted to make a career or job change but was feeling immobilized, a forced transition out of the corporation may be experienced as a catalyst for generative change. This employee may perceive his or her downsizing experience in this way when first notified his or her job has been eliminated. Or, it may come to be the employee's perspective only after the employee is happily engaged in what she or he believes is a new and better job opportunity. Conversely, the employee who remains after co-workers have been terminated may not feel so fortunate to still be employed. Instead she or he may feel alienated, anxious and betrayed. That employee also may find him or

herself doing the work of two or more people, but without the commensurate compensation.

These two examples related to downsizing are offered to help further explain what I intend by the concept of sensemaking referred to in this study's Purpose. Sensemaking is a process by which people try to "make sense" (Weick, 1995, p. 13) of their lived experience. It is not simply an act of interpretation, although interpretation is a component of sensemaking (Weick, 2005). Sensemaking is "about the interplay of action and interpretation" (Weick et al., 2005, p. 409), whereby people engage in generating as well as discovering, in authoring as well as understanding (Weick, 1995, p. 8). This interplay of action and interpretation is founded on the premise "society precedes mind" (Weick, 1995, p. 107). Sensemaking is, therefore, an intrinsically social process involving others, regardless of whether or not those others "are imagined or physically present" (Weick, 1995, p. 39). And, it is typically retrospective, as people often "know what they are doing only after they have done it" (Weick, 1995, p. 24).

Sensemaking is elicited when we encounter an equivocal, unexpected or complex experience—and, it is ongoing because "we always find ourselves in the middle of complex situations which we try to disentangle by making, then revising, provisional assumptions" (Burrell & Morgan, cited in Weick, 1995, p. 43). To make sense of our experience, we select that information which seems to be most important in framing it. As we talk about and / or take action in response, we generate new information, which further informs our behavior. We extrapolate and make plausible predictions. We share our understanding with others, and explain or justify our behavior (even if only to ourselves). We continually create and update our *frames*, generating new ways of

understanding and of responding to our experiences (Weick, 1995, 2001; Weick et al., 2005).

By frames, I am referring to mental models or cognitive maps that help an individual to make "sensible" their experience (Huber & Daft, 1987, as cited in Weick, 1995, p. 4), the placement of "stimuli into some kind of a framework" (Starbuck & Milliken, 1988, as cited in Weick, 1995, p. 4). In the vernacular of social cognition, frames help a person to know how to behave in a specific situation, but they also have flexibility that informs someone how to act in differing versions of that situation as well (Moskowitz, 2005, p.163). Moreover, in our social discourse, we not only have an opportunity to give meaning to our experiences, we can create new meanings and reframe previously held interpretations, expanding our choices for future behavior (Trochiano, 2008, p. 32). Critical reflection—thinking about experiences past—and social interaction provide opportunities for challenging our assumptions and presumptions, for transformative learning (Mezirow, 1991).

Sensemaking in Weick's framework is a social-psychological concept. Social psychology falls under the broad heading of *human sciences,* as opposed to natural science. The term *human science* was coined by Wilhelm Dilthey (Rickman, 1962) who reasoned that "human life is not only meaningful; it is also articulate; it expresses its own meaning which we can understand" (Rickman, 1962, p. 41). Hence, the human sciences differ from the natural sciences because the human sciences are concerned with human beings, the human world and meaningful relationships (Rickman, 1962, p. 37).

Phenomenology. It is within the human sciences arena (van Manen, 1990, p. 181) that phenomenological research makes its contribution. Since the research method for this

exploratory study is phenomenologically-based, it is important to understand what phenomenology is and why it may be a preferred approach for understanding the richness of human experience. Husserl, the German mathematician and philosopher responsible for the development of phenomenology (Welton, 1999, pp. ix-xv), defined it as two things: "A new kind of descriptive method which made a breakthrough in philosophy at the turn of the [twentieth] century, and an a priori science derived from it" (Welton, 1999, p. 322). Consequently, phenomenology is both a philosophy and a scientific method.

Phenomenology as scientific method. As scientific method, phenomenology may be defined as the study of how phenomena appear to "the consciousness that beholds them" (Giorgi, 1986, p. 6)—for "it is only in, or rather for, consciousness that something can appear" (Zahavi, 2003, p. 12). Knowledge is reliant on consciousness (Giorgi, 2009a, p. 9). It is human consciousness that is the medium for "whatever is given to awareness [intuition], since nothing can be spoken about or referred to without implicitly including consciousness" (Giorgi, 1997, para 2). Consciousness and its intentional objects are, therefore, the only phenomena that are certain for phenomenologists (A. Giorgi, personal communication, February 1, 2009).

A critical characteristic of consciousness, and core concept in phenomenology, is that of *intentionality*. Phenomenologists assert that intentionality is a key characteristic of a large group of conscious acts that are directed to objects (A. Giorgi, personal communication, February 1, 2009). Or, stated somewhat differently, human beings are typically oriented toward phenomena in the world outside themselves, or "that [which] is not himself" (Giorgi, 1985c, p. 71). "All thinking … is always thinking about something" (van Manen, 1990, p. 182). "Intentionality is an openness to the world and to objects that

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are transcendent to, or even part of, a person's consciousness" (A. Giorgi, personal communication, February 1, 2009).

It is crucial to recognize that the intentionality of consciousness is not reliant on the factual existence of any perceived object. Giorgi (1986) tells us, "In the phenomenal realm one is talking about appearances or presences and not existences" (p. 7). Or, "What we see is what *we* see" (Russell, 2006, pg. 46). *Presence* is simply "the very thing you are aware of" (A. Giorgi, personal communication, October 13, 2010); namely, the object of a person's conscious attention, whether that object is something that exists temporally and spatially, or not.

Phenomenology, then, is the study not only of those objects that are known, but also of those objects of consciousness that are possible. Accordingly, a phenomenon may be a culture, a relationship, an emotion, an object, a concept, a fantasy, a prediction, or some event or situation, anything which may be experienced *or* present to consciousness (Creswell, 2007, p. 236; Giorgi, 2009a; Zahavi, 2003, pp. 13-22). This helps to explain why a phenomenologically-based method is well suited to human sciences research. The empirical method is limited to "phenomena that are given to the senses through appearance" (Giorgi, 2009b, p. 151). But the empirical method is not sufficient for exploring all the possible phenomena to which humans may be present. To illustrate: There are real or empirical objects that exist in time and space—such as a tree, a bicycle; a dog, or a bacterium, etc. And, there are those that are ideal or irreal—such as ideas, concepts, numbers, geometric figures, etc.—that are present to consciousness, yet do not exist temporally or spatially (Giorgi, 2009a, p. 67).

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Phenomenology sees the world, not as independent of consciousness, but rather as a correlate of consciousness (Spurling, 1977, p. 7). The concept of intentionality provides a counter balance to empirical approaches to knowledge, because it releases human beings from the strictures of their own subjectivity. It maintains that "appearances are real; they belong to being" (Sokolowski, 2000, p. 15). Things that may have been dismissed by empirical thinkers as "merely psychological are now found to be ontological, part of the being of things" (Sokolowski, 2000, p. 15). Furthermore, in accepting the concept of intentionality, we acknowledge a world in common with other human beings (Sokolowski, 2000). Through intentionality, "Phenomenology shows that the mind is a public thing, that it acts and manifests itself out in the open, not just inside its own confines" (Sokolowski, 2000, p. 12).

Giorgi's phenomenological research method. The goal of phenomenologically-based scientific research is to carefully and systematically describe how humans experience their worlds and "to try to ascertain the lived meaning" (Giorgi, 1986, p. 18) of a phenomenon for the human beings experiencing it. Doing so will result in an articulation of the structure of that experience. The particular phenomenological method employed for this research study will be that described and practiced by Giorgi. Giorgi was founder and former editor of the *Journal of Phenomenological Psychology* and a part of Duquesne University's psychology department from 1962 to 1987, when the descriptive existential-phenomenological approach to psychology burgeoned in the United States (Creswell, 2007; Giorgi, 2009b; Saybrook Graduate School & Research Center, 2009).

Giorgi's scientific method has been identified alternatively in the literature as psychological-phenomenological and as descriptive existential-phenomenological—where the word *descriptive* is used to emphasize it is not intended to be interpretive (A. Giorgi, personal communication, September 8, 2008; A. Giorgi, personal communication, February 1, 2009; Giorgi, 1985a, 2006a; Giorgi & Giorgi, 2003). A descriptive existential-phenomenological method seeks to describe and to understand the meaning an experience holds from the standpoint and consciousness of the human being who is living that experience in their "everyday life" (Giorgi, 1985a, p. 1). And in doing so, phenomenology seeks to uncover the essential meaning of the phenomenon (De Castro, 2003, p. 47)—which leads to another important phenomenological concept, that of *essential meaning*.

One of phenomenology's distinctive features is "the assumption that *there is an essence or essences to shared experience*" (Patton, 2002, p. 106). An essence is a quality or state that makes a particular phenomenon what it is, and without which that phenomenon could not be what it is (van Manen, 1990, p. 177; Zahavi, 2003, pp. 37-39). It conveys the fixed and unchanging structure of a phenomenon (De Castro, 2003, p. 50). Illustrative are the mathematical sciences: Geometers are concerned with basic geometric shapes (for example, a triangle has three and only three sides and a rectangle, four) and arithmeticians with the elemental nature of numbers (Moran, 2000, p. 135).

Regardless of which variant of phenomenological scientific research is employed, and there are various approaches, the goal is the same: Phenomenological inquiry is interested in the everyday world of human experience. This inquiry into the essential nature of any given phenomenon occurs in the *natural attitude,* "the metaphysical and

epistemological assumptions that characterize our daily life" (Zahavi, 2003, p. 44), and in the *lifeworld* of human beings' lived experiences, not in a laboratory. Husserl's *whole natural world* includes those "corporeal physical things with some spatial distribution" (Welton, 1999, p. 60)—which we can see touch, hear, and otherwise perceive through our senses and intention—as well as animate beings—such as our fellow human beings. It is not merely a world of physical things and animate beings, but one with "value-characteristics, [such] as beautiful and ugly, pleasant and unpleasant, agreeable and disagreeable, and the like" (Welton, 1999, p. 61). It is in recognizing these assumed facts and suspending our presuppositions that "from what rests on the surface" (Welton, 1999, p. ix) we are able to transcend "into the depths" (Welton, 1999, p. ix).

     The phenomenological reduction. The application of the *phenomenological reduction (*which includes the concepts of *epoché* or *bracketing)* is critical for avoiding any unintended influence the researcher may have on the study participants and their descriptions, as well as for arriving at the essential structure of the participants' experienced phenomenon. To explain: Epoché and bracketing are related concepts subsumed under what is meant by the phenomenological reduction. Epoché is a Greek term which means abstention (Cerbone, 2006, p. 22) or skepticism (Sokolowski, 2000, p. 49). With respect to the phenomenological reduction generally, what is bracketed, or excluded, are indirect sources of information, knowledge the researcher may possess of seemingly similar experiences, the so-called scientific facts, and anything the researcher thinks she knows in advance of an experience (Moustakas, 1994, p. 85). Bracketing allows the researcher to suspend her assumptions about what is normal, to refrain from judgment, and to view each individual participant's description with fresh eyes, as it

were, to ensure that a participant's account is not simply subsumed under the descriptions of others' experiences (Patton, 2002, pp. 106–107; Seidman, 2006, p. 113). First and foremost, as Husserl himself said, "We parenthesize everything … with respect to being: *thus the whole natural world* which is continually 'there for us,' 'on hand,' and which will always remain there according to consciousness as an 'actuality' even if we choose to parenthesize it" (Welton, 1999, p. 65).

The complexity of phenomenological research methods. The preceding overview of key concepts is provided to facilitate a basic understanding of some of the critical ideas and language pertinent to the descriptive existential-phenomenological research method that will be employed for this study. There is a great deal of complexity associated with phenomenology and phenomenological research methods (Giorgi, 1985c, pp. 23-24). Contributing to the complexity are conflicting philosophical traditions and methodological approaches that have developed over time (Giorgi, 2009a, p. 8). It is both impossible and unnecessary in this research study to do justice to all of the purported phenomenological approaches to scientific inquiry, correct or incorrect, and I have generally favored Giorgi's approach over other approaches that may conflict in some way with his approach. A more detailed elucidation of Giorgi's descriptive existential-phenomenological research method appears in Chapter III.

Chapter II. Literature Review

Relationship to Other Literature

Every worthy research study necessarily must be bounded. "Good limits help establish good research" (Von Knorring-Giorgi, 1998, p. 37). My proposed research study is no exception. It has a single major focus (Creswell, 2007): The phenomenon of corporate downsizing initiatives as experienced by the Human Resource (HR) managers who have been directly involved in their implementation.

I have chosen the phenomenon of downsizing because of its unrelenting presence and prevalence in our contemporary business environment (Aversa, 2009; Malveaux, 2009; Trochiano, 2008). Downsizing is not confined to the corporate arena, however. It is a strategy employed in the public and private sectors, as well (Cascio, 2005; Sahdev, Vinnicombe & Tyson, 1999; Barrett, 1997). Still, I have limited my exploration to the corporate arena in the interest of maintaining an unambiguous focus and because of my own fascination and familiarity with corporate organizations (Locke, Spirduso & Silverman, 2000).

A great deal has been published about downsizing. The material ranges from popular business books and articles in mainstream publications (Uchitelle, 2007) to research by academicians such as Trochiano (2008), Gandolfi (2006), Cascio (2002), Gordon (1996), and Cameron (1991), who were among the first to write about this phenomenon. Some of the existing literature has been produced by HR professionals in an attempt to provide guidance to other HR professionals (Downs, 1995; Fox, 2008a; McShulskis, 1996; Wells, 2008). Some of the information available has been generated by well-known consulting firms, such as Lee Hecht Harrison and McKinsey & Company

(Bennett, 1996), sometimes in partnership with academia (Marks & DeMeuse, 2003).

Much of the downsizing literature has been about how to develop and implement these

initiatives, the efficacy of employing such a business strategy, and the effects on victims

and survivors (Amundson, Borgen, Jordan & Erlebach, 2004; Baldwin, 1999; Flournoy &

Everbach, 2007). Others have discussed the social contract between employers and

employees (Weidenbaum, 1995) and explored the ethics of such business actions (Carver,

2004; Karake-Shalhoub, 1999; Rousseau & Aquino, 1993; Stieb, 2004)—including the

impact on a corporation's public reputation (Love & Kraatz, 2005; Zyglidopoulos, 2004).

Both my study topic and research strategy address gaps in the existing body of

research. For, in spite of the large body of published work on downsizing, there is very

little reported research on the experiences of Human Resource professionals as the

implementers of downsizing initiatives. Some of the research I cite takes an interest in the

reactions of and impacts on Human Resource managers in implementing downsizing

initiatives (Campbell, 1997); other research focuses on the HR function (Sahdev et al.,

1999). I encountered no research addressing Human Resource professionals that

employed a reliable phenomenological scientific method, descriptive existential-

phenomenological or otherwise—though one researcher claimed phenomenology was

among what she described as the *bricolage* of qualitative methods she employed (Truty,

2003). Professor Gandolfi (2008a) affirms, "Little research has been documented on the

emotional responses and reactions of the subjects implementing downsizing. This

constitutes a research gap" (p. 10).

A review of the most relevant studies to date illustrates the opportunity that exists

to explore more deeply the lived experiences of Human Resource managers without prior

supposition about what the research will reveal. My on-line search for recent (within the past 16 years) full text, scholarly peer-reviewed journal articles confirmed Gandolfi's (2008a) observation. Only a handful of articles among a total of 131 touched upon the topic (downsizing) and the population (HR professionals) that are the phenomenon and subjects of my study.

My review of the most relevant literature, which follows, is organized based on two obvious criteria. First, all relate to downsizing. Second, each of the studies focuses on Human Resource professionals, to a greater or lesser extent. Accordingly, the studies are grouped into four categories and presented as follows:

- Those that primarily concern the reactions of and impacts on HR managers (Group 1);

- Those that address the reactions of and impacts on managers generally, including HR managers; (Group 2)

- Those that implicate Human Resource managers, and other corporate executives, in producing the alleged negative effects on other staff within corporate organizations—what Alan Downs (1995) labeled "Human Resources as the Corporate KGB" (pp. 91–103; Group 3); and

- Those that provide an overview of effective HR strategies and practices (Group 4).

Group 1: Reactions of and impacts on human resource managers. Two studies are included in this category. One of these, a doctoral dissertation by Kay Campbell (1997), is closest to my study in terms of its subject matter, though not in its methods. Through a descriptive case study design, this particular study sought "to

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describe and understand the impact of an acquisition with subsequent downsizing on Human Resources personnel" (Campbell, 1997, p. 59)—staff, as well as managers. It also inquired into the "perceived effectiveness" (Campbell, 1997, p. 59) of related HR initiatives. Campbell's (1997) study was conducted in the pharmaceutical industry (pp. 19, 61-62), which is not a demographic criterion for my own research—though interesting, given my own professional experience within the bio-pharmaceutical industry. It was undertaken more than 10 years ago with an assumption of negative impacts from the downsizing on Human Resource personnel; specifically, "survivor sickness" (Campbell, 1997, pp. 1, 4-9, 43-46, 51-58).

The second study included in this category was conducted in private and public organizations in the United Kingdom, across industry sectors, and focused "on the changing role of HR in the context of downsizing as perceived by HR directors/managers" (Sahdev et al., 1999, p. 908). Unlike the Campbell (1997) study, this pilot study was not explicitly concerned with the personal effects of downsizing on Human Resource professionals; rather, it was designed to test the degree of change that had occurred in the ways the HR function had positioned itself relative to its role and responsibilities for managing downsizing (Sahdev et al., 1999, p. 912). While the authors acknowledge the often negative effects of downsizing initiatives on survivors, their acknowledgement was with respect to the staff whom HR departments are expected to support, not on HR professionals themselves (Sahdev et al., 1999, p. 907-909). Additional highlights of the Sahdev et al. (1999) pilot study are provided after the following overview of Campbell's (1997) dissertation research study.

Campbell (1997). Campbell's (1997) descriptive case study explored the health impacts—physical, psychological and emotional—of an acquisition and merger with downsizing on the employees in the Human Resources department in one particular "learning organization" (Campbell, 1997, p. 58). The major purpose of the study was "to develop an in-depth understanding of survivor sickness within Human Resource personnel and the initiatives developed to move an organization through major change" (Campbell, 1997, p. 58). Campbell, "as a participant observer and survivor of this downsizing event" (Campbell, 1997, p. 146), entered into her research study with an underlying hypothesis that the impacts on HR personnel were inevitably negative.

Campbell's (1997) data was derived from 60-minute interviews conducted with 2 external consultants and 12 internal Human Resources managers representing all areas of the HR division for both the acquiring and the acquired companies—for example, Compensation and Benefits, Training and Development, and others (pp. 70-72). Because Campbell's (1997) research utilized a case study method, she also conducted four 90-minute focus group meetings for 19 employees, though a total of 120 employees were invited to participate (p. 72). In addition, she gathered research data from documentation that included employee communication memoranda, newsletters and other communication materials, committee notes, the employee selection process manual, compensation and benefits information, archival records, and others (Campbell, 1997, pp. 71, 77).

The study (Campbell, 1997) findings revealed five major themes:

1. A "profound negative impact" (p. 76) on both Human Resource managers and staff during the acquisition, subsequent downsizing and integration activities.

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2. An experience of the acquisition and downsizing as "painful" (p. 76) for most employees, though exciting and opportunity-producing for a few.

3. Long-term (18 to 24 months), and "in some cases" (p. 76), life-altering effects on the Human Resource managers and staff—physically, psychologically and emotionally.

4. Generally effective HR-initiated programs for impacted staff, other than for those in the HR department itself for whom "little was done" (p. 76).

5. A consensus that to achieve future success, members of the HR department "need to develop trust in management and partnership for the new culture" (p. 76).

Sahdev, Vinnicombe & Tyson (1999). British researchers at the Cranfield School of Management in the United Kingdom conducted a pilot study in private and public organizations which had downsized within the past 3 years, examining "the changing role of HR in the specific context of downsizing" (Sahdev et al., 1999, p. 906). Though their study was conducted about 10 years ago, these authors had an observation similar to that made by Gandolfi (2008a, p. 10) more recently. Namely, "Interestingly enough, not much has been written about the specific role of human resources management (HRM) in the context of downsizing, or indeed how HRM has been affected by downsizing" (Sahdev et al., 1999, p. 906).

There were two phases to the authors' research. In the first phase, informal interviews were conducted with 10 HR directors/managers whose organizations had downsized within the previous 12 months. The purpose of these interviews was to gather an understanding of the key themes that should be included in a questionnaire for the second phase, which was designed for and distributed to approximately 1000 HR

directors and managers in firms that represented a cross-section of private and public

companies. Qualitative and quantitative data were solicited. The target population

included organizations that had and had not downsized. Of the 90 questionnaires that

were returned, 60 were from individuals whose organizations had downsized within the

last 3 years (Sahdev et al., 1999, pp. 906, 912-913).

A summary of the authors' key findings clearly found that, "While downsizing

itself has had a negative impact on most survivors, as confirmed by various studies, on

the whole it has had a positive impact on the role and positioning of HR" (Sahdev et al.,

1999, p. 913). This was attributable, at least in part, to the increased visibility and

accessibility of HR professionals and their critical role in "aligning the strategic and the

operational aspects of people management issues" (Sahdev et al., 1999, p. 919).

Widespread downsizing initiatives had, in fact, "strengthened the strategic influence of

HR staff," according to Sahdev et al. (1999, p. 920).

Group 2: Reactions of and impacts on managers generally. Four studies are

presented in this category. The first, by Kets de Vries & Balazs (1997), was not limited to

the corporate arena. The second, Edward Barrett's doctoral dissertation, studied civilian

employees of the U.S. Navy who worked in many functional areas (Barrett, 1997, pp.

107-108). While Barrett's dissertation study (1997) did not appear to include HR

professionals, he cited another study extensively that did (Noer, 1993). The third and

fourth studies, Daniela Truty's (2003) doctoral dissertation and Clair and Dufresne's

(2004) research, were both confined to the corporate sector. Clair and Dufresne (2004)

restricted their exploration to a single organization in the financial services industry (p.

1600).

None of these four studies was limited to Human Resource managers, or even necessarily to managers. Kets de Vries & Balazs' (1997) study conducted interviews with individuals—described as either victims, survivors or executioners—"in a wide variety of sectors in private and public enterprise" (p. 21), at all organizational levels and functions. Similarly, Truty's (2003) and Clair and Dufresne's (2004) study participants represented a broad range of organizational levels and functions, as well. Furthermore, while it is known that Truty, as an HR development (HRD) professional, was a participant-observer in her own study, and that at least one other member of her HRD department was likely downsized as well, there is no way to know if other HR professionals were among Truty's 27 research participants (Truty, 2003, pp. 48-50, 339-341; Truty, 2004, p. 50).

Edward Barrett's (1997) research is included because it offers insight into the work achieved by two researchers: Barrett himself and David Noer. Barrett's doctoral dissertation study was designed to challenge Noer's often-referenced research about "overcoming the trauma of layoffs and revitalizing downsized organizations" (Noer, 1993, book subtitle). Although Barrett's research study did not appear to include HR professionals (pp. 107-108), Noer's (1993) research did (pp. 54, 220-233).

Kets de Vries & Balazs (1997). In a 1997 study, performed in collaboration with Katharina Balazs (a then Ph.D. Candidate at INSEAD), Manfred F.R. Kets De Vries conducted over 200 open-ended interviews with those whom he described as victims, survivors and executioners in downsizing operations (Kets de Vries & Balazs, 1997, p. 21). The study's stated objective was "to examine the effects of downsizing on all those affected by it" (Kets de Vries & Balazs, 1997, p. 17), with "special emphasis … given to

the reactions of the executives implementing the downsizing operation" (Kets de Vries & Balazs, 1997, p. 11). All those interviewed were involved in a still-ongoing downsizing initiative or in one that had ended within the previous 6 months. The study findings resulted in the development of a clinical typology that placed victims and so-called executioners into various categories depending on their coping styles and symptoms. Only a general description of how downsizing was experienced was created for those whom the authors identified as survivors.

The classification of behaviors for executives identified as the executioners of downsizing operations was interesting. Unlike the findings by Campbell (1997) and Truty (2003), for example, the largest executive group was without obvious symptoms (Kets de Vries & Balazs, 1997, p. 22). These executioner executives were not identified by function; as a result, there was no segmentation of those who may have been Human Resource professionals. While my own proposed phenomenological research into the structure of the lived downsizing experience for Human Resource professionals may uncover some constituents in common with Kets de Vries and Balazs' clinical typology, my study purpose and methods differ.

Barrett (1997). The purpose of Barrett's (1997) mixed methods study was to explore "the claim that survivors did indeed have negative attitudes after reengineering and downsizing" (p. 10). The Human Resources about whom Barrett wrote were not managers within an organization's HR department; Barrett used the term more broadly to refer to the organization's staff in general. His study participants worked in the public arena, not in the private—in the United States Civil Service, Department of the Navy

(Barrett, 1997, p. 107). The theoretical grounding for Barrett's study was another

research study (Noer, 1993) that did include HR professionals.

The theoretical grounding for Barrett's (1997) study was a book written by then-

Vice-President of the University of North Carolina's Center for Creative Leadership

(CCL), *Healing the Wounds: Overcoming the Trauma of Layoffs and Revitalizing*

Downsized Organizations (Noer, 1993). It was David Noer, the author of the book upon

which Barrett's research was based, who said that in the 10 years since an old friend of

his had survived his high-technology company's across-the-board layoffs, "Organizations

of all types—public, private, military, for-profit, not-for-profit—have embarked on a

frenzy of layoffs. Organizations that once saw people as assets to be nurtured and

developed began to view those same people as costs to be cut" (Noer, 1993, pp. xiii-xiv)

resulting in a "layoff survivor sickness…toxic both to the human spirit and organizational

survival" (Noer, 1993, p. xv). Noer (1993) further contended that no one was immune

from the negative attitudes resulting from an organization's layoffs; even managers and

leaders had to confront their own survivor status. While Noer's study was not specifically

about Human Resource professionals, his study did include interviews with 10 "human

resource professionals involved in layoff administration" (p. 54).

Barrett's (1997) research challenged Noer's proposition. Using the McGraw-

Hill/London House Organization Survey for Business and Industry (OS) as a tool for

assessing employee job satisfaction, Barrett studied a convenience sample of 68 non-

unionized, federal civil servants in a United States Civil Service Department of the Navy

organization (pp. 26, 107, 111), who had "experienced a substantial degree of

reengineering and downsizing" (p. 19). Overall, the results of his study (Barrett, 1997) revealed:

> The analysis of the data revealed that survivors…had better attitudes than workers who had not experienced downsizing and reengineering, and survivors' attitudes were quite comparable to the norms for the more than 78,000 workers who had taken the OS since 1958. These findings...contradicted Noer….
>
> In summary, managements' understanding of downsizing and reengineering as it impacted survivor attitudes appeared essential. However, management actions could not be ignored in this equation. Management's actions appeared to be critical factors in insuring that workers developed positive attitudes and their morale and motivation did not suffer from downsizing and reengineering" (pp. 172, 176).

Truty (2003, 2004, 2005). Daniela Truty, a former Human Resource development (HRD) professional and current adult educator at Northeastern Illinois University (Truty, 2004, p. 49), conducted what she described as a qualitative study exploring the involuntary termination of 28 employees—including herself—as a result of corporate downsizing in a large, Midwestern manufacturing firm (Truty, 2003, p. 1; Truty, 2004, p. 49-50; Truty & Truty, 2005, pp. 28 & 30). Similar to Campbell (1997), Truty (2003) also wrote about the largely negative impacts of being on the receiving end of downsizing, asserting that her termination due to downsizing was experienced as a "premeditated and calculated violent action" (Truty, 2003, p. 58; see also Truty, 2004; Truty & Truty, 2005).

Conversations were Truty's primary data source. Participant journals, including her own, electronic communications, a demographic profile form, corporate news, and

other sources provided "complementary or supportive information" (Truty, 2003, p. 34).

Expounding upon her research method, Truty identified her approach as a bricolage, as she borrowed from multiple qualitative methods to piece together an approach that "protected the supremacy of the research questions over the need to name the specific [research] method…." (Truty, 2003, p. 33). While she acknowledged being influenced by phenomenology, Truty also recognized she could not claim to have used a pure phenomenological process as she sometimes "found it necessary to prompt and direct the conversation toward some issues that the participants did not cover on their own" (Truty, 2003, p. 36). Truty also credited grounded theory and hermeneutics with influencing her data analysis (Truty, 2003, pp. 36-38; Truty & Truty, 2005, pp. 28-30).

Truty's (2003) reported findings were extensive. Among them was a finding the participants' reactions to the downsizing experience could be clustered into four primary categories: (a) a "godsend" (p. 150), (b) an "opportunity" (p. 150), (c) something compelling them to "move on" (p. 150), and (d) something that "hurt" (p. 150) them (Truty, 2003, pp. 149-240; Truty & Truty, 2005, pp. 31-450). Truty's dissertation contains ample verbatim remarks by the study participants to support this typology.

Clair & Dufresne (2004). A qualitative study by Clair and Dufresne (2004) explored the experiences of those staff and managers who were responsible for carrying out their company's downsizing initiative. This exploratory study included, but was not limited to, Human Resource professionals. Referring to the downsizing implementers both as "downsizing agents" (DAs; Clair & Dufresne, 2004, p. 1598) and "grim reaper"(Clair & Dufresne, 2004, p. 1605)—rather than as executioners (Kets de Vries,

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1997) or executors (Gandolfi, 2006)—Clair and Dufresne (2004) defined their research subjects as:

Individuals with responsibilities for planning, carrying out, and/or dealing with the aftermath of a downsizing…any individuals, no matter their organizational level or daily professional role, who have formal responsibilities for carrying out a particular downsizing. Our definition does not assume that a certain type of person (such as manager or Human Resources [HR] professional) serves as DA across all situations; rather it recognizes that different types of people play a DA role depending upon the situation or context (p. 1598).

Similar to those in Kets de Vries & Balazs' (1997) research study—as well as Truty's (2003)—Clair and Dufresne's (2004) study participants represented a wide range of organizational levels and functions (p. 1601). However, unlike Kets de Vries and Balazs' (1997) study, Clair and Dufresne's (2004) study was confined to one organization in the financial services industry, which employed 2800 employees prior to the single downsizing event to which the DAs' reactions were explored (p. 1600). Fifty employees were terminated as a result of the corporation's downsizing initiative, raising questions about whether DAs' reactions might have been different had the downsizing been more far reaching (Clair & Dufresne, 2004, p. 1622).

While my study is similar in the sense that data collection was the result of open-ended interviews, and those interviews were retrospective in nature, my study was restricted to the lived experiences of Human Resource professionals involved in the implementation of their corporations' downsizing initiatives. The results of my descriptive existential-phenomenologically-based research study may support, however,

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some of the findings of Clair and Dufresne (2004) with respect to the cognitive,

emotional and physical impacts on the Human Resource professional implementers of

downsizing.

Group 3: HR managers as the corporate KGB. In 1995, Alan Downs wrote a

book exposing, "the ugly truth about downsizing—how corporate greed is shattering

lives, companies, and communities" and offering "alternative strategies" (Downs, 1995,

book cover). In a chapter entitled "Human Resources as the Corporate KGB" (Downs,

1995, pp. 91-103), he singles out corporate Human Resource professionals, ascribing to

them a great deal more power and influence than may actually be the case. While Downs

(1995)—self-described as a "former 'corporate executioner'" (namely, a former HR

professional; book jacket) and now management consultant—acknowledges that the

corporate Human Resource department is generally little more than a staff function in

most organizations (p. 103), he alleges, nonetheless, that it is much to blame for the

current state of employment in the United States.

> HR ensures compliance with labor laws, fair compensation, tracking and
>
> maintaining employee information, and it is a buffer between management and
>
> employees. Although the terms *internal covert intelligence office*r and *executioner*
>
> may be distasteful to all but the most unfeeling in HR, these are ongoing functions
>
> in the department. There is little argument with the fact that technically
>
> sophisticated HR professionals have changed the face of employment in America.
>
> Without them, the decisions to lay off millions of American workers by senior
>
> executives and boards of directors could have never been accomplished so
>
> quickly or easily (Downs, 1995, p. 103).

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Also culpable are narcissistic executives at the top of the organizational pyramid (Downs, 1995, pp. 22-39). However, "burned-out bosses" (Downs, 1995, pp. 51-52) in middle management and rank-and-file employees are treated more compassionately. Not surprisingly, Downs's (1995) book does not explore the lived experiences of Human Resource professionals involved in their organizations' downsizing initiatives—or in their experiences as either the survivors or the victims of downsizing themselves.

Although Downs's (1995) book draws on his substantial experience as a Human Resources professional, it does not present scholarly research insofar as it is not based on systematic inquiry using scientific research methods. Available when it was published in popular bookstores in the General Management section, *Corporate Executions* (1995) seems written for the general public, not for the scholar-practitioner or for the academic researcher. There is no lack of colorful and provocative language, as well as personal opinion.

Group 4: Effective HR strategies and practices. Gandolfi's book, *Corporate Downsizing Demystified* (2006), provides a scholarly analysis of the downsizing phenomenon. The book covers a wide range of related issues including downsizing's historical background and theoretical underpinnings, as well as its financial and human consequences. An entire chapter is devoted each to "downsizing implementation strategies" (Gandolfi, 2006, pp. 33-55) and to "the significance of Human Resource development (HRD)" (Gandolfi, 2006, pp. 123-144). While HRD is explored from the perspective of most effective HR practices, including strategic training and development, there is little said about HR professionals as downsizers except to recognize a "considerable research gap in this area" (Gandolfi, 2006, p. 75).

An article by Gandolfi in the Spring 2008 issue of *SAM Advanced Management Journal* proposed a conceptual framework "enabling firms to minimize, defer, or avoid the adoption of RIF, layoff, and downsizing-related activities" (Gandolfi, 2008b, p. 52). Referring to downsizing as *organizational decimation* (Gandolfi, 2008b, p. 52), Gandolfi's methodology built upon the earlier work of Vernon (2003), George et al. (2005) and Gandolfi (2008c), identifying three cost-reduction stages—short, mid and long-range—that firms experience based on their current business condition. Prominent among the cost-reduction strategies suggested at the various stages are "contemporary Human Resources (HR) practices" (Gandolfi, 2008b, p. 52). Although this article does not address the lived experiences of Human Resource managers in implementing their firms' downsizing initiatives, it does recommend some HR practices as being useful.

In his April 2008 article in the *Journal of Management Research*, Gandolfi provided a three-page overview of key research conducted to-date on the "financial effects of downsizing" (Gandolfi, 2008a, pp. 6-8), as well a two-page outline of research on the "downsizing categories of affected people" (Gandolfi, 2008a, pp. 9-10). While research findings on survivors received more than a page's attention, *downsizers* received attention in a small paragraph at the table's end in which the author references research by himself (Gandolfi, 2007, p. 10), by Downs (1995), and by Clair and Dufresne (2004)—all of whose contributions have been discussed in this Literature Review.

Opportunity

Human Resource managers have a unique role and responsibilities within corporate organizations and their responsibilities may be both strategic and tactical (Stewart & Brown, 2009). For example, they may partner with corporate executives in

the development and implementation of organizational strategy (Stewart & Brown, 2009, pp. 20, 36-73). However, without the ability to implement strategy, their efforts result in "little more than an intellectual exercise" (Ulrich et al., 2008, p. 124). So, one of the many ways in which HR managers are involved in the implementation of strategy is with respect to their roles as talent managers and change stewards (Ulrich et al., 2008). As talent managers, HR professionals customarily are associated with the development, implementation and assessment of HR policies, procedures and practices and of staff management initiatives and activities—such as recruitment and selection, performance and compensation management, education and development, succession planning, retention, and separation (Stewart & Brown, 2009).

As the stewards of organizational change, HR professionals must be able to help their corporate organizations advance and quickly adapt to new and shifting conditions (Stewart & Brown, 2009). With respect to corporate downsizing initiatives and employee separation, in particular, Human Resource managers have a key role. While corporate executives and Boards of Directors determine the business imperatives for downsizing (Sommer, 2003), Human Resource managers are commonly involved in helping to formulate downsizing plans, including the establishment of criteria for deciding which jobs will be eliminated. Typically HR managers are also involved with a corporation's managers in the actual implementation of downsizing initiatives—which involves, at a minimum, partnering with corporate managers or supervisors to meet with staff who are impacted by job eliminations (Bliss & Thornton, 2006; see also Sahdev et al., 1999). One of their responsibilities is to ensure downsizing initiatives are successfully executed—

including in a legally-defensible, equitable and humane manner (Bliss & Thornton, 2006; Sommer, 2003; see also Bogardus, 2009; Stewart & Brown, 2009).

As my review of the literature reveals, little research on the experiences of Human Resource managers involved in implementing their corporations' downsizing initiatives has been conducted to date (Gandolfi, 2008a, p. 10). This study asked each Human Resource manager who was interviewed to describe his or her unique experience as the implementer of a corporate downsizing initiative. Accordingly, study participants described in their own words what they saw, heard, experienced, and understood to be real. Consistent with the descriptive existential-phenomenological research method, I accepted what each study participant understood and reported to be real for him or her.

Prior to this study, there has been a scarcity of scholarly information and understanding about the reactions of and impacts on HR professionals as implementers of downsizing initiatives, even at a time when the extent of downsizing and other forms of job elimination has been far greater than anything Americans have experienced in 80 years. We are in the midst of global economic crisis such that corporate bankruptcies and business failures and mergers are occurring at unprecedented rates. The benefits associated with helping to fill this research gap are substantial.

Research Strategy

This research study explored the phenomenon of corporate downsizing as experienced by the Human Resource (HR) managers who have been directly involved in the implementation of their corporations' downsizing initiatives. It employed a qualitative research strategy and a descriptive existential-phenomenological approach. Generally speaking, "Qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them" (Denzin & Lincoln, 2005, p. 3).

Similar to other qualitative methods, the phenomenologically-based approach is intended to "serve the needs of concrete human existence" (Best & Kellner, 1991, p. 16) and may be viewed as a reaction to the dominance and limitations of Cartesian rationalism. While it is "not against empiricism," (Giorgi, 2006b, para 3) phenomenology is considered broader by those who employ its methods because it inquires into phenomena that are not merely reducible to facts (Giorgi, 2006b, para 11). Phenomenology "offers accounts of experienced space, time, body, human relation as we live them" (van Manen, 1990, p. 184). It typically begins by being descriptive, rather than predictive or explanatory, and has been widely utilized in the human sciences. When so used, it is "discovery oriented" (van Manen, 1900, p. 29), concerning itself with the ways in which phenomena present themselves to humans through their everyday experiences (Sokolowski, 2000). In articulating the relevance of a scientific framework that takes into account humans and human characteristics, such as phenomenology offers, Giorgi (1985c) contends:

The fact that a human subject is historical and social and dwells in a world of

meanings, whether actively constituted or passively assumed, are three paramount

characteristics that should not be grudgingly admitted and backed into, but rather

directly seized, spoken to, and taken advantage of (p. 42).

Phenomenologically-based research, then, is grounded in the recognition that,

with respect to the human sciences, one cannot legitimately separate the subjective world

from that of the natural. As a result, "Subjectivity must be understood as inextricably

involved in the process of constituting objectivity" (Moran, 2000, p. 15). As Perrott

(1979) so well states:

Man's connectedness to the world is already established and functioning before

his awareness of it emerges….

Herein lies the fundamental deception of natural science "objectivity."

Such a stance posits that scientists can and do remove themselves from

participating with the world they are observing. It posits that scientists can

distance themselves from the observed and treat the world as an object free from

their influence…. However, when other human beings become "the observed," as

in natural scientific psychological experiments, their consciousnesses include

being-aware-of-another (pp. 98-99).

Still, well suited though it is to human sciences research, phenomenologically-

based scientific research does present some distinct challenges. One contributing factor is

that, from its inception, "very few of [Husserl's] disciples developed consistent

interpretations of phenomenology" (Giorgi, 1985c, p. 23). Furthermore, Husserl's own

thinking matured and changed over the course of his life and not all of his manuscripts

have been published yet, despite Husserl's having passed away in 1938 (Moran, 2000, p. 62-62; Zahavi, 2003, pp. 1-5). More importantly perhaps, Husserl's phenomenology was a method of philosophical inquiry, not a scientific research method (Giorgi, 1997, para 9), and "a full explication of phenomenological theory of science is not yet available" (Giorgi, 2006a, p. 306). In addition, phenomenological methods have been influenced by the emergence and evolution of various human science disciplines, generating methodological variations that are not always consistent with "phenomenological principles or sound research practices" (Giorgi, 2006b, para 4; see also Giorgi, 1985a, p. 4).

For the purposes of this research study, I utilized the existential-phenomenological research method developed by Giorgi, which is consistent with the philosophical phenomenology of Husserl and Merleau-Ponty (Giorgi, 1979, 1985a, 1985b, 1985c, 2006a, 2006b, 2009a; Giorgi & Giorgi, 2003). As already stated, it is a descriptive method—as opposed to the hermeneutic-phenomenological method, which is interpretive (Giorgi, 2006a, p. 307). Its objective is to systematically describe and analyze the meaning an experience holds from the standpoint and consciousness of the human being who has lived that experience in his or her "everyday life" (Giorgi, 1985a, p. 1; see also De Castro, 2003, pp. 46-47). Stated most simply, the meaning is "the particular way" (Giorgi, 2009a, p. 80) the phenomenon is experienced. In this study, the meaning answers the question: What is it like to be a Human Resource manager responsible for implementing corporate downsizing?

Oftentimes, phenomenological reflection on the part of the study participants is retrospective (Patton, 2002; van Manen, 1990; Wagner, 1970). In this research study, the

participants were asked to describe their lived experience of implementing a recent

downsizing initiative. In the cases of all four research participants, their downsizing

experiences had already occurred sometime during 2008 and/or 2009.

From the outset, the phenomenologically-based researcher must do three things:

(a) assume the attitude of the phenomenological reduction, (b) adopt a scientific

disciplinary attitude (mine will be that of Organization Development), and (c) employ a

special sensitivity to the phenomenon being researched (A. Giorgi, personal

communication, February 24, 2009). With respect to the phenomenological reduction, the

researcher must suspend (or bracket) any past knowledge or theoretical understanding she

may possess about the phenomenon under study and what will or should be learned about

it from the interview data (Giorgi, 2006b, para 10). She has to refrain "from judging until

the evidence is clear" (Sokolowski, 2000, p. 49). Consequently, no "theoretical

observations or accounts" (van Manen, 1990, p. 184) are generated. What's more, in

applying the phenomenological reduction, the researcher must "reduce existences to

presences [thereby withholding] the positing of the existence or reality" (A. Giorgi,

personal communication, February 24, 2009; Giorgi, 2006b, para 10) of the phenomenon

she is considering.

A phenomenological research methodology was well-suited to the purposes of

this study, as well as to a researcher who possesses the listening and observation skills,

together with the facility for establishing empathetic connections with people, that are

important to comprehensively and carefully capturing the essential features of

participants' experiences (Rudestam & Newton, 2001; see also Locke et al., 2000). If that

researcher also happens to have had professional experiences that sensitize her to the

orientation and expectations of Human Resource professionals generally, it may have enhanced her ability to establish rapport (Padgett, 2008). Thus, the choice of research method was dependent, in part, on consideration of "factors that the researcher possesses" (DeHart, 2008, p. 86). Likewise, these qualities demanded vigilance on the part of the researcher to ensure she didn't project her preconceptions and explanations upon the study participants and that the participants' descriptions accurately reflected their experiences (Creswell, 2007).

Target Population

Purposive, non-probability criterion sampling was used to identify the study participants (Creswell, 2007; Seidman, 2006). Thus the selection of the research participants was not random; participants were selected based on specific characteristics; that is to say, non-probability sampling. Furthermore, research participants were selected based on the purpose of this research study; namely, to solicit descriptive data specifically from Human Resource professionals who "are the experiential experts on the phenomenon being studied" (Rudestam & Newton, 2001, p. 92; see the Selection section for additional information about how research participants were selected).

As stated in Chapter I, the term Human Resource (HR) professional referred to any employee who had the responsibilities and job title of manager (including senior manager, director, vice president, etc.) in a Human Resources department or function and designed and delivered Human Resource policies, practices and procedures (Ulrich et al., 2008, pp. 3-6). Accordingly, the study participants were Human Resource managers who had recent experience implementing their corporations' downsizing initiatives and who were willing to participate in an initial 60-90 minute interview and a possible follow-up

interview, to be audio tape-recorded, and to have their input published in a dissertation and academic journal. All the research participants lived and worked in the western portion of the United States, given that I live and work in this geographic area.

Please note that just as an accountant can take a professional exam to become licensed as a certified public accountant (CPA), a Human Resource professional may take an examination through the HR Certification Institute (HRCI)—an arm of the Society for Human Resource Management (SHRM)—the successful completion of which denotes the acquisition of a certain level of subject-matter expertise. In general, the HRCI exam tests applicants on their experience-based knowledge and requires a minimum of 2 years' work experience as a Human Resource professional (HR Certification Institute, n.d.-a). There are additional requirements, as well (HR Certification Institute, n.d.-a); and to maintain one's certification after passing the HRCI exam, HR professionals must meet, document and submit verification of certain ongoing educational requirements every 3 years (HR Certification Institute, n.d.-b). It is worth noting, too, that as the Master's degree in business administration (MBA) has increased in popularity (Kyle & Festervand, 2005), so have graduate and undergraduate programs specializing in Human Resource Management (Society for Resource Management, 2010). Because HRCI certification is voluntary and by no means do all employers require it as a condition of employment, the possession of an HR certification or an advanced degree was not a prerequisite for participation in this study. An HR manager designation sufficed.

Sample Size, Selection and Characteristics of the Research Participants

This section provides information about (a) this study's sample size and its rationale, (b) the criteria for the selection of the research participants, and (c) the characteristics of the four HR managers who participated in this study.

Sample size. The research objective was to secure in-depth descriptions of individuals' experiences (Padgett, 2008). Appropriately, phenomenological research is normally "conducted on [relatively] small sample sizes" (Smith & Osborn, 2003, p. 54; see also Creswell, 2007; Rudestam & Newton, 2003). Padgett (2008) advocates against sacrificing depth, which characterizes qualitative research, for breadth, reminding us that qualitative research has been described as "an inch wide and a mile deep" (p. 56). This is emphasized by Giorgi, as well (A. Giorgi, personal communication, January 2, 2009).

Consistent with the nature and purpose of phenomenologically-based research, I secured the participation of four Human Resource managers (A. Giorgi, personal communication, February 7, 2009; see also Creswell, 2003; Moustakas, 1994). Giorgi (2009a) generally recommends a sample size of three participants (pp. 198-199). Based on a mini-experiment conducted by one of his students, he believes that repetition begins to occur beyond six participants when studying most phenomena (A. Giorgi, personal communication, November 3, 2008).

Qualitative research employs different methods from those used by the natural sciences. For example, Hermann Ebbinghaus' famous memory research was conducted and published based on his findings with just one subject, himself (A. Giorgi, personal communication, February 16, 2009; see also Giorgi, 1985c; Kandel, 2006). More recently, Frederick J. Wertz (1982), current editor of *The Journal of Phenomenological*

Psychology and Fordham University professor, conducted his dissertation study on the phenomenon of perception utilizing data obtained from three subjects (pp. 96-99). Von Knorring-Giorgi's (1998) dissertation study, *A Phenomenological Analysis of the Experience of Pivotal Moments in Therapy as Defined by Clients*, which employed Giorgi's descriptive phenomenological method, consisted of three study participants, and the one therapist who counseled all three, in her exploration of "what it is that makes therapy work" (pp. 38-40).

Phenomenological research does not presume to make claims about the universality of its findings with respect to a given phenomenon. The goal in this study is to "give some sense [of] what it is like" (A. Giorgi, personal communication, January 2, 2009; Giorgi, 1985c, p. 23) to implement a corporate downsizing initiative, to generate a general description of the situated structure of the phenomenon. The structure identified by the data analysis is likely to apply to others beyond those who participated in the study, but the researcher does not presume to know which others. Consistent with this goal, it is not the number of participants that is primary in phenomenological research. It is, instead, "the number of times the phenomenon is spoken about in varied ways," (A. Giorgi, personal communication, January 2, 2009) by any single study participant or by several study participants.

Selection. To determine who met this study's basic qualification requirements and had an interest in participating, an email solicitation outlining the requirements (see Appendix B) was sent to Human Resource managers who:

- were listed on the member directory for a local chapter of SHRM and/or were part of a regional HR YahooGroup,

- worked in the western part of the United States,

- spoke, read and understood English,

- had a title that indicated a level of manager or higher (e.g., Director, Vice
  President, etc.), and

- had been actively involved in the implementation of their organizations'
  downsizing initiatives sometime during 2007-2009.

(Though local chapters of SHRM are affiliates of the international Society for Human
Resources Management, their members are not required to be members of the SHRM.
SHRM claims to be the most widely recognized association of Human Resource
professionals in 125 countries, including the United States [Society for Human Resource
Management, n.d.].)

The owner and moderator of the two listservs that were used to solicit
participation for this research study sent the email solicitation (see Appendix B) for me.
Both listservs are restricted to members of their corresponding Human Resource groups
and are not open to the general public. The email solicitation directed those interested in
participating to contact me directly at my personal email address, rather than through the
group communication.

Since I did not send the email solicitation myself, and did not have access to the
member distribution lists, I did not exercise undue influence on potential participants,
directly or indirectly. The research participants self-selected, based on their interest in
participating. The voluntary nature of their participation was emphasized in the informed
consent form they signed prior to their participation, as well (see Appendix C, Consent
for Research Study).

Initially, six Human Resource professionals expressed interest in participating in this study. However, upon conducting an initial phone/email screen, I learned that two of the volunteers did not work in the corporate arena and a third had never been involved with downsizing, which left only three respondents who met the initial eligibility requirements. So a second email solicitation was sent generating two more responses. Both met the eligibility requiements. Since four participants were sufficient for the purposes of this study, I selected the person who had first responded to the email solicitation, thanked the second, and asked if I might keep her contact information in case I discovered I did, in fact, need one more study participant.

Finally, opportunistic sampling was also an intended sampling strategy (Miles & Huberman's typology as cited in Creswell, 2007, p. 127). I anticipated the Human Resource professionals receiving my email communication might know, and would forward information about this study to, other Human Resource managers who are not members of the local SHRM affiliate or the HR YahooGroup, for example, but who otherwise met the qualification requirements and might have an interest in participating. This was encouraged in the email solicitation for participation that was sent.

Characteristics of the research participants. The four HR professionals who participated in this research study held titles from Senior Vice President/Chief HR Officer to that of HR Director. All resided and worked in the western portion of the United States, and they represented the following industries: Commercial real estate investment, travel & leisure, technology, and durable consumer goods. Their average years' experience in the human resource arena was 19; and, their years' experience ranged from 12 to 26. The four study participants consisted of three women and one man.

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Two of the four HR managers interviewed—Participant 1 (P1) and Participant 4 (P4), both women—worked in relatively small organizations, between approximately 50 and 80 staff before downsizing was implemented. One of the two organizations was a start-up technology company, privately-held; the other, a commercial real estate investment and operating firm. (The commercial real estate investment and operating firm was a U.S.-based limited liability corporation with contract and regular staff in locations within and outside the United States.) Both individuals were the only HR professionals in their respective organizations. Participant 4 had one direct report who was not an HR professional, but was responsible for generating the payroll and for other administration and accounting tasks.

The remaining two managers—a man and a woman—worked for much larger organizations, which had multiple locations. One of the two, Participant 3 (P3), was the director of HR for her particular division, which employed staff at a single location. She had three HR managers reporting to her, as well as multiple indirect reports. After her division's first downsizing experience—she recounted two separate, recent downsizing experiences—she assumed responsibility for another functional area, Environmental Health and Safety (EH&S), as well as for some staff who didn't fit neatly into any particular functional area, in addition to her responsibility for the division's HR department.

The other HR manager, Participant 2 (P2), was the leader of HR for his organization's North American operations. He managed a group of other HR professionals. Participant 2 was responsible for HR staff at dispersed locations.

Data Collection and Storage

In the human sciences, the subjects of our exploration "can talk and think" (Seidman, 2006, p. 8)—unlike a peptide, a planet or a pulley. Because self-reflection and symbolization through language are integral to the human experience (van Manen, 1990, pp. 38-39), spoken first-person narrative has been the most obvious way humans have made sense of their experiences, and interviewing has been an obvious means of inquiry (Seidman, 2006, p. 8). When someone talks about his or her experience, that person must decide what information she or he considers important to share. In reflecting upon this, the person must then decide what language best captures the fidelity of his or her experience and in what sequence to present the information—behaviors which, in themselves, are a means for making sense of the experience (Seidman, 2006, pp.7 & 19). Because personal "stories are a culture's coin and currency" (Bruner, 2002, p. 15), the "concrete stuff of human discourse" (van Manen, 1990, p. 23), when someone talks about his or her experience, we, the listeners, have an opportunity to discern "how their individual experience interacts with powerful social and organizational forces that pervade the context in which they live and work, and we can discover the interconnections among people who live and work in a shared context" (Seidman, 2006, p. 130).

Appropriately, first-person descriptions are at the heart of the phenomenological research method (Padgett, 2008). Characteristically, phenomenological research derives its data principally from the first-person accounts that individual participants provide about their lived experiences (Moustakas, 1994). This requires that the study participants have direct experience with the phenomenon of interest and be capable of communicating

"how they perceive it, describe it, feel about it … make sense of it, and talk about it with others" (Patton, 2002, p. 104). Phenomenological research presumes articulate participants who are willing and able to share their experiences (Creswell, 2007). Interviewing is its primary, though not necessarily exclusive, method of data collection (Creswell, 2007; Truty & Truty, 2005; Wertz, 2005).

For this exploratory study, the principal data collection method was one-on-one, face-to-face, in-depth, phenomenologically-based interviews (Creswell, 2007; Giorgi, 1997; Seidman, 2006; van Manen, 1990). Prior to the start of each voice recorded interview, I welcomed the participant, reviewed the Informed Consent form with him or her (which had been sent electronically via email prior), and provided an overview of the interview process. This included a reminder I would be recording our conversation, so I asked each participant to speak up loudly and clearly. Also, each participant was asked to avoid the use of proper names if possible. Lastly I inquired about the participant's total years' Human Resource experience, as well as when their most recent downsizing experience occurred and what industry they were working in at the time.

Each interview was scheduled for 90 minutes. Participants entered the study with the understanding, however, that a second interview might be necessary. In fact, one of the research participants, identified in this research study as Participant 3 (P3), did meet with me twice over a period of three weeks. Each of those two interviews with Participant 3 was approximately 90 minutes in length.

Each individual participant's unique experience was explored using an in-depth, focused (but non-directive), and open-ended approach to interviewing—as opposed to asking individuals to respond "yes or no" or "strongly agree or disagree" to pre-

determined and prescribed survey questions or statements. Only one fundamental

interview question was asked. It was composed so as to elicit the study participants'

concrete and comprehensive descriptions—as well as to minimize any unintended impact

I, as researcher, might have in leading or influencing the study participants' descriptions.

The question was framed so as to be neutral rather than value laden. Except when

clarification was necessary, I attempted to ask follow-up questions that were sufficiently

open-ended and non-directive, so as to minimize the need to prompt the individual

participants (Smith & Osborn, 2003, pp. 59-61) or to reinforce, positively or negatively,

their responses (Seidman, 2006, p. 89).

It is crucial to recognize that in a phenomenologically-based interview, "It is

impossible to offer ready-made questions" (van Manen, 1990, p. 67). The researcher must

remain "disciplined by the fundamental question that prompted the need for the interview

in the first place" (van Manen, 1990, p. 66), so the interview does not devolve by going

"everywhere and nowhere" (van Manen, 1990, p. 67). This is the reason *what* and *how*

questions are typically asked in a phenomenologically-based interview. Conversely, *why*

questions may encourage the participants toward abstraction rather than toward providing

a concrete description of their lived experiences (Pollio, Henley & Thompson, 1997, p.

30). If a study participant begins to generalize about an experience, it is important to

bring him or her back to the level of concrete experience.

Accordingly, the study participants were asked to describe, in as much detail as

possible, their most recent experience as a Human Resource manager having

responsibility for the implementation of their corporation's downsizing initiative. During

the course of the interview, questions progressed along the lines of asking for explicit

clarification, for an example of a specific situation or instance, or for what it was like (van Manen, 1990). The next, best question to ask was determined within the context of a given interview.

A general interview guide (see Appendix D) was developed to elicit complete and faithful descriptions of the participants downsizing experiences (Wertz, 1985). The interview guide was intended to be used cautiously, however, to avoid leading the participants or prejudicing their responses (Seidman, 2006). My goal was to allow enough time and flexibility for participants to talk candidly about their lived experiences, while also ensuring sufficient focus to further the study's intended purpose and to encourage participants to provide concrete and comprehensive descriptions (Moustakas, 1994; Seidman, 2006; Smith & Osborn, 2003). My intent was to "listen more, talk less" (Seidman, 2006, pp. 78–81). The critical reader and researcher can assess my relative success by referring to the interview raw data (Appendix E).

Interviews were conducted in a "private setting conducive to trust and candor" (Padgett, 2008, p. 103) and largely free from noise and distraction. Accordingly, all the interviews, except for one, were conducted in a private study or conference room at a local library geographically proximate to where each participant either lived or worked. One of the interviews was conducted in a meeting room at a local hotel because the local library could not guarantee a study room.

As a condition of their participation, the study participants gave their consent for face-to-face interviews to be audio-recorded using an Olympus LS-10 Linear PCM Recorder. The digital recording of each interview was transcribed in its entirety, verbatim by a neutral third-party, within a month of each interview's having been conducted. I

secured the services of a professional transcription service, MD-IT Transcriptions

Services, for this purpose. This company was selected because it was accustomed to

transcribing confidential medical data and it had a local office. A confidentiality

agreement was executed (see Appendix F). The verbatim transcriptions included non-

verbal recorded material—such as coughs, laughter, etc. (Seidman, 2006; Smith &

Osborn, 2003). The digital recordings themselves will be securely maintained through

December 31, 2011.

The transcribed interviews were downloaded to my home-based laptop computer

via a portable electronic storage unit (commonly called a memory stick) and are being

maintained as Word documents within an electronic folder on my laptop's C drive. I also

will preserve the data on the portable electronic storage unit, in the event anything should

happen to my laptop (e.g., theft, a computer system crash, etc.). Having the transcribed

interviews available in Word document format facilitated the "copy and paste" inclusion

of portions of the narrative text into this dissertation document when and where

appropriate. Furthermore, all the raw data is included in Appendix E of this dissertation

study sans any information that may identify a study participant and his or her employer

and potentially violate a participant's confidentiality.

Trustworthiness

In documenting the first-person narratives of individual participants, the

qualitative researcher has an opportunity to bear witness to and to try to understand

another person's experience from the person's unique point of view. In applying a

descriptive existential-phenomenological research method, the researcher appreciates that

the participants' descriptions of their lived experiences are subjectively dependent, not

objective reports. The only epistemological claims made are with respect to how the

phenomenon was experienced or reconstructed by the participants. Objective reality

claims are not asserted (Giorgi & Giorgi, 2003), which is not to say there aren't any.

Giorgi (1986) challenges, "if humans, as scientists, can, under proper conditions,

use descriptive reports with precision, then it seems…that humans, as subjects, should

also, under the proper conditions, be able to generate valid descriptive reports" (p. 5).

Still, similar to all qualitative research methods, there is no guarantee that what a

participant shares in an interview is true—with respect to its content or to the meaning

ascribed by the individual participant. This possibility of deception exists for quantitative

methods that require participants' responses to a questionnaire or test in which only

discreet answers are allowed, as well. Because phenomenologically-based interviews are

in-depth, however, it is more likely the competent researcher will be alert to any narrative

that is "stilted or 'off'" (Giorgi & Giorgi, 2003, p. 47). Had I believed deception

occurred; the transcript for that particular interview would have been preserved, but not

analyzed (A. Giorgi, personal communication, November 3, 2008). Fortunately, I do not

believe this to have been the case with any of the four research participants.

Giorgi (2006a) also cautions that "phenomenological studies can be tested by

replications, but not by utilizing judges" (p. 310). Thus, another potential vulnerability

has to do with the researcher's subjectivity. To address this, the phenomenological

"researcher leaves as complete a track record of the process as is possible" (Giorgi &

Giorgi, 2003, p. 48). Such a complete track record is documented in this study.

Frederick Wertz (2005) maintains, "Phenomenological methods are scientific by

virtue of being methodical, systematic, critical, general, and potentially inter-subjective.

Like all good science, they require critical thinking, creativity, and reflective decision making that give rise to many procedural variations and innovations" (p. 170). Giorgi (1985c) agrees with Wertz on all counts and emphasizes that for any activity to be scientific, "it must be able to be performed by many researchers, the finding should be intersubjectively valid, and there must be a definable method" (p. 72). Giorgi's assertion is grounded in his practical experience teaching the use of the descriptive existential-phenomenological research method to graduate students at Duquesne University and at Saybrook Graduate School over a period of more than 30 years, having seen it successfully applied "to both similar and highly disparate phenomena … [and yielding a] degree of spontaneous intersubjective agreement [that] is surprisingly high" (Giorgi, 1985c, p. 73).

For the purposes of this research study, trustworthiness was enhanced by my creating a rigorous audit trail of the study's process (Burr, 2003; Rudestam & Newton, 2001), by being true to the study participants' descriptions and sensemaking, and by making my research study available to others for their critical evaluation (Giorgi, 1997); hence the inclusion of the raw interview data in Appendix E.

Data Analysis

The collection of the interview data is obviously the first step in the application of the research method (Giorgi, 1997). In-depth interviewing generated a fair amount of descriptive data transcribed into typewritten text. Faithful to the qualitative method, the process by which that data is organized, analyzed, and interpreted was intuitive (Giorgi, 2006a, p. 317). The use of intuition requires the researcher to be "present to whatever is

given to consciousness, precisely as it is given" (A. Giorgi, personal communication, February 23, 2009).

Like quantitative methods, qualitative research methods offer many ways to organize, analyze, and interpret descriptive data. Similarly, while phenomenology is one of the most frequently used approaches to doing qualitative research studies (Marques, 2006, p. 55), there is no single way to conduct a phenomenological research study. As stated previously, I have chosen to employ the scientific method developed and popularized by Giorgi (Saybrook Graduate School & Research Center, 2009). This decision is based on the suitability of the method to my research purposes, as well as on Giorgi's accessibility and interest in supporting this work.

Giorgi (1997) tells us:

For a qualitative scientific method to qualify itself as phenomenological in a descriptive Husserlian sense, three things are required: The research procedure needs to utilize (1) description (2) within the attitude of the phenomenological reduction and (3) seek the most invariant meanings for the context (p. 235).

Description, the first of the three required elements, comes in two ways: Initially description comes from the study participants as they talk about their lived experiences. Then, there is a second level of description, structure, which comes from the researcher's analysis (Giorgi, 2009a).

Applying the phenomenological reduction involves two things: Bracketing personal and theoretical knowledge not based on direct intuition, as well as withholding any claim that the object or phenomenon "really exists in the way that it is appearing" (Giorgi, 2006b, para 10). Phenomenological research requires the researcher to be true to

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the sense of what was said by the participant, "not the literal, empirical expression" (Giorgi, 2006a, p. 307). The supposed facts are never the primary concern of phenomenology, but rather "the nature of the phenomenon as meaningfully experienced" (van Manen, 1990, p. 40).

With respect to the third element, the researcher then seeks to determine the key constituents of the experience; namely the most invariant parts of the experience without which the phenomenon could not be what it is (Cerbone, 2006, pp. 35–36).

The application of Giorg's existential-descriptive phenomenological method. Giorgi's proposed analysis of the research data involves the following steps:

1. Reading the data. The researcher reads an entire interview transcript to get a "general sense of the whole" (Giorgi, 1985b, p. 10), seeking to understand the experience from the study participant's viewpoint, not based on any theory or pre-conceived notions the researcher herself may have about the phenomenon (De Castro, 2003, p. 50). This attitude of the phenomenological reduction is maintained throughout all the steps of the method.

2. Dividing the data into meaningful parts. Next, the researcher re-reads the transcript in order to convert the verbatim text into meaning units, with a focus on the phenomenon being researched and in the perspective or scientific discipline that informs the researcher's study, which in this study was Organization Development (OD) with a humanistic orientation. (This OD perspective is discussed in more detail later in this Chapter. See *The field of Organization Development*.) This step may appear easier than it actually is, and is not to be confused with traditional content analysis. The discrimination of meaning units is

made "whenever the researcher becomes aware of … [an OD] sensitive change of meaning" for the study participant (Giorgi, 1979, p. 83; see also Giorgi, 2005b, p. 11; Von Knorring-Giorgi, 1998, p. 40). As Giorgi (1997) makes explicit, "The meaning units do not exist 'in the descriptions' by themselves. Rather, they are constituted by the attitude and activity of the researcher" (para 28). As a result, the meaning units may change during the course of the researcher's analysis (Giorgi, 2009a). Additionally, Giorgi recommends the first-person statements contained in the study participant's verbatim description be re-written by the researcher in the third-person when identifying the meaning units to minimize the possibility the researcher will project him or herself into the situation, as opposed to being faithful to the study participant's described experience (Giorgi, 2006a, p. 307; Giorgi, 2009a, p. 153). In Table 1 an excerpt of the meaning units for study Participant 4 (P4) are shown in the middle column (directly to the right of P4's verbatim description in the far left column).

3. Organizing and transforming the data using a particular perspective or scientific discipline. Once meaning units have been identified, through reflection and imaginative variation, they are next transformed from the everyday language of the participant into insights relevant to the phenomenon being researched and, again, in the perspective or scientific discipline informing the researcher's study (Giorgi, 1985b); specifically in this research study, from an Organization Development perspective, discussed below. It is through the consideration of all possible variations, freely imaginable, that the researcher is able to discover the most invariant characteristics of the phenomenon under study, the essence or

essences of the phenomenon that, without which, the phenomenon could not be what it is (Cerbone, 2006). The goal of imaginative variation is "not to concoct fantastic scenarios, but to use these projections to bring out the inexorable necessity of certain things" (Sokolowski, 2000, p. 181); "it should confirm the empirical truth and not subvert it" (Sokolowski, 2000, p. 183). Furthermore, nothing is taken out; what may appear to be redundancies in a description are not removed. While the essence of a given phenomenon does not require repetition of an identical constituent, redundancy may have significant meaning from a social sciences perspective (Giorgi, 2006a). The role of the researcher in this second stage of phenomenological reduction, therefore, involves the consideration of all "actualities as mere possibilities" (Cerbone, 2006, p. 35).

This step in the process is extremely labor intensive, and easier said than done, as this neophyte researcher discovered. In the third step, the researcher returns to the meaning units to explore the OD implications of the participant's experience. The OD meanings embedded in the participant's concrete description of his or her experience are extracted and pushed to a level of generality such that the transformations can be more easily incorporated into one structure representing data from various participants, if legitimate (Giorgi, 2009a, pp. 131-132). While the transformations that result have the "strength of facts … they are not pure facts" (Giorgi, 2009a, p. 131). For even if the empirical facts differ from one participant's description to another, the OD implications can be identical. Furthermore, the OD meanings achieve a level of invariance that can encompass

multiple facts (Giorgi, 2009a, p. 132). Also important to recognize when identifying transformations:

> Sometimes an important implicit [OD] meaning is not stated anywhere but it has a strong background presence, so one has to make it explicit somewhere and a relevant unit can be chosen to do that. At other times there may be a repetitive theme, the [OD] significance of which is critical, and so that particular sense is made explicit in one of the meaning units where a repetition occurs, but could have been made explicit at any one of the repetitions. The meaning units should be conceived as figures against a contextual ground that spreads laterally across all the other meaning units (Giorgi, 2009a, p. 134).

Note: Not every meaning unit will have the same number of transformations, because not every meaning unit will be "equally rich" (Giorgi, 2009a, p. 145) in terms of lending itself to deeper OD meanings.

Based on the description provided by study Participant 4, Table 1 illustrates how meaning units were identified and then transformed. The left-hand column contains Participant 4's verbatim description of her downsizing experience. The two right-hand columns show my transformations as researcher. "The difference between the two right-hand columns is simply synthesis and highlighting of the [Organizational Development] dimension" (Giorgi & Giorgi, 2003, p. 34).

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Table 1

Excerpt of the phenomenological reduction for Participant 4's interview

Verbatim description, divided into meaning units	Transformations, using an organizational development perspective	
14. Why did I even come in today? Why didn't I stay home and take care of myself?	14. P4 wonders aloud whether her commitment to the company is appreciated, and questions whether she would have been better off staying home and putting self-care first, before work demands.	
15. So, you know, I have been in other organizations where there is much more of a breathing space after a layoff and people do understand that, you know, you kind of need to regroup.	15. P4 remembers that her previous downsizing experiences with other employers have been different. Specifically, she recalls there was time allowed and an appreciation for her need to regain her sense of emotional and mental equilibrium.	15 & 16. P4 feels as though the senior executives are unaware of or discounting the personal impact of downsizing, on themselves and on her. Or, perhaps, theirs is a conscious lack of awareness such that they know it is difficult but maintain the attitude, "This is what she is paid to do." There is no allowance made or appreciation shown for P4's need to regain her sense of emotional and mental equilibrium after the downsizing. Instead P4 is expected to maintain a pace and a demeanor that reflect she is back to work as usual. This is unlike P4's previous downsizing experiences with other employers.
16. But this was just go, go, go, go, go, you know. "Okay, *we* finally made a decision, *we* got over it, you know; catch up [Name]."	16. P4 perceives the senior executives hold the attitude that the downsizing is over; they'd recovered and moved on; and P4 should too, quickly.	

(continued)

Verbatim description, divided into meaning units	Transformations, using an organizational development perspective	
17. And it was just really hard. [Nervous laughter]	17. P4 shares that her involvement in the downsizing with this employer was very difficult emotionally for her. She laughs nervously as she says this.	17. P4 says her responsibility for the implementation of her employer's downsizing activities has been emotionally challenging for her. She laughs uneasily as she says this, just as she laughed numerous times (sometimes derisively) throughout the interview.

4. Synthesizing the data. Next, the transformed meaning units are synthesized into a description of the *structure* of the phenomenon of downsizing based on the study participants' lived experiences. A structural description addresses "how" and "what" the phenomenon was that was experienced by the study participants, including the context or conditions which influenced the study participants' experiences (Creswell, 2007, pp. 60-61, 236). In elucidating the structure of an experience, the researcher seeks to determine the absolutely necessary and most invariant constituents of the experience—namely, those constituents without which the experience would not be what it is—and the complex relationship among them. This is accomplished by the researcher's taking a global view, as the structure is more than the sum of its parts, and using imaginative variation and eidetic intuition (; A. Giorgi, personal communication; October 15, 2010; Giorgi, 2009a). The structure, therefore, is not based on facts alone (Giorgi, 2009a, p. 199); neither is it a simple summary of the facts (Giorgi, 2009a, p. 203).

When the research data includes more than single participant's experience, the description of the structure may be specific or general, but never universal

(Giorgi, 1985b, pp. 19-21; Giorgi, 1985c, p. 50). Furthermore, while one structure for all the research data is the most desirable outcome, sometimes the data do not conform to a single structure and different structures have to be written (Giorgi, 1997, para 31; Von Knorring-Giorgi, 1998, p. 41).

5. Presenting the findings. When these first four steps are completed for all the descriptive interview data, the researcher is ready to present the results of the study. The final outcome of the data analysis is not just the general (or situational) structure of the experience, however. While the structure describes the relationships among the key constituents "that essentially define a phenomenon" (Giorgi, 2009a, p. 206), it does not address the implications of the experience. This occurs in the Discussion portion of the dissertation.

The field of Organization Development. I bring an Organization Development (OD) perspective to this research. The evolving field of OD has been characterized as "both a professional field of social action and an area of scientific inquiry" (Cummings & Worley, 2001, p. 2). The Organizational Development Network (ODN), a professional association of OD researchers and practitioners, defines it as a "dynamic values-based approach to systems change in organizations and communities [that endeavors to] build the capacity to achieve and sustain a new desired state that benefits the organization or community and the world around them" (Organization Development Network, 2008a). In other words the practice of OD involves a planned approach to enhancing organizational performance and individual capability. It does this by adopting a whole-systems values-based approach to its application of behavioral sciences knowledge and skill to the

development, enhancement and reinforcement of organizational strategies, structures, systems/processes (including technological), and staff (Rothwell & Sullivan, 2005).

Cummings and Worley (2001) identified four major categories of OD interventions (action strategies for achieving OD objectives): Strategic, techno-structural, human process, and human resource management. The successful management of planned change is one example of a strategic OD intervention, and a particularly important OD intervention for any organization that is downsizing. OD interventions in the techno-structural category explore how work is achieved "by examining the level of employee involvement and redesigning work processes" (Bogardus, 2009, p. 224). Lean manufacturing practices would be an example of a techno-structural intervention. Human process interventions, such as teambuilding activities and conflict management, are designed to develop competencies at the individual staff level. Finally, human resource management strategies also focus on staff and include interventions such as leadership and management development, talent management, performance management, and others.

The practice of OD has historically been grounded in a set of operating principles that might be best characterized as humanistic; that is to say, concerned with the interests and welfare of humans (Organization Development Network, 2008b). This is not unexpected given its genesis, which can be traced to Kurt Lewin, a social psychologist and German Jewish émigré. During World War II, Lewin was involved in a government project designed to support the war effort by attempting "to change the public's food consumption habits" (Blass, 2004, p. 17), specifically to encourage the consumption of meat food products, such as SPAM, given there was a meat shortage and prime cuts of

meat were needed for our soldiers overseas (Alban & Scherer, 2005, p. 88). After the

War, Lewin (then teaching at the Massachusetts Institute of Technology)—in

collaboration with Ron Lippitt, Ken Benne and Leland Bradford—was asked by a

Connecticut State Inter-Racial Commission and the National Conference of Christians

and Jews to assist with problems of racial and religious prejudice that had emerged as

soldiers returned home from military service. As returning soldiers competed for jobs,

racial and religious tensions flared in some northeastern cities (Blass, 2004, p. xxi). It was

out of this work that *sensitivity training* emerged as means for "sensitize[ing] participants

to the forces of group dynamics" (Alban & Scherer, 2005, p. 88).

Social justice, therefore, is also a value that has been intrinsic to the practice of

OD. To quote Chris Argyris (1990):

> We are realizing that in order to achieve organizational excellence, learning,
>
> competence, and justice are a much more realistic foundation than are morale,
>
> satisfaction, and loyalty…. Justice is based on a set of values and rules—in this
>
> case, about organizational health—that apply equally to all employees, no matter
>
> what their organizational position (p. xi).

OD's behavioral sciences foundation certainly "supports values of human potential,

participation and development" (Cummings & Worley, 2001, p. 4).

My interest in this research study, therefore, is on the impact organizational

actions have on the human beings who work within corporate organizations as perceived

by those human beings. Corporate organizations, after all, are not "simply rational,

technological structures and networks for organizing people around tasks and services"

(Diamond & Allcorn, 2009, p. 3). Organizations are also "relational, experiential, and

perceptual systems" (Diamond & Allcorn, 2009, p. 3) upon which many human beings

depend for their physical/economic survival and their sense of identity (Diamond &

Allcorn, 2009, pp. 142-143).

Human Participant Protection

Participants were informed of the nature of my research, their role and likely time

commitment, the fact they would not receive any compensation for their participation,

their right to withdraw their consent and discontinue participation at any time, the

procedures used to ensure their confidentiality, and their right to access information about

the results. While this research study is interested in the lived experiences of its various

study participants, I have not and will not reveal the identities of those individual

participants beyond some limited demographic data such as their years' experience, job

titles and the industries within which they implemented their corporations' downsizing

initiatives. Pseudonyms are used where necessary to protect individual and organizational

identities.

This was communicated verbally and in writing to individuals at the outset and

each was asked to sign an informed consent statement (Appendix C) confirming they had

been instructed about these matters and had voluntarily agreed to participate (Locke et

al., 2000). I secured the approval of Pepperdine University's Institutional Review Board

(IRB) to ensure my actions were consistent with its ethical guidelines protecting

participants' health and welfare.

Each participant is entitled to receive a copy of my final dissertation, as well as

any materials, presentations or publications resulting from this research study within 5

years' completion of the study. I have retained the right, however, to write the study

findings and analysis as I understood and interpreted the data. Therefore, I did not share my dissertation with the participants to solicit their approval prior to my dissertation defense (Seidman, 2006).

Limitations

One of the limitations of this exploratory study relates to the orientation of Human Resource managers generally, which may engender reluctance to participate. The nature of their unique role and responsibilities makes HR managers privy to highly confidential and proprietary information, about both individual employees and their particular corporations in general. Consequently, one of the crucial competencies of any Human Resource manager is the ability to maintain confidentiality (Rao & Rothwell, 2005).

Human Resource managers are normally socialized to hold their proverbial cards close to their vest. They develop a heightened sensitivity to potential hazards, legal and otherwise. In the case of corporate downsizing, specifically, there is a potential legal liability an organization exposes itself to by taking such action, which often necessitates the indemnification of corporate officers and Human Resource leaders. Additionally, the success of any downsizing initiative is frequently dependent on strict secrecy during the planning stage as any premature leak about corporate objectives can result in an exodus of key staff, a drop in morale and in production, acts of vandalism and theft, a decline in stock price, and other unintended consequences, as rumors and conjecture spread (Sommer, 2003).

Moreover, the time necessary to elicit "vivid, accurate, and comprehensive portrayals" (Moustakas, 1994, p. 177) is not insignificant. One 60-90 minute interview

may be considered burdensome by potential study participants who have demanding corporate careers as Human Resource managers.

This study ran the risk that any qualitative study might; namely, failing to elicit sufficient participation. Additionally, since those professionals receiving my email communication could choose whether or not to participate, it is possible that participants' attitudes and behaviors might differ from those of non-participants. Moreover, their feedback was based on hindsight—which is why one of the qualification requirements for participation was relatively recent experience; specifically, during the period 2007-2009. Thus, the challenge and the opportunity was to elicit candid and illustrative feedback about each individual participant's lived downsizing experience.

Chapter IV. Results: The General Structure of Downsizing

Overview

This chapter presents the general structure of the experience of downsizing as described by the four HR managers who lived it. The key constituents of the general structure are presented next, together with the empirical variations and the contexts within which the experiences were lived. Table 2 provides an overview of the key constituents of the general structure. Finally, this Chapter ends with a description of the relationship among the key constituents, which represents the essence of the experience, together with an illustration of the relationship among the key constituents.

General Structure of the Lived Experience of Downsizing

For each of the four participants, as the person who had oversight for implementing the downsizing, the overall experience was one of acceptance of the business necessity for the downsizing, coupled with anticipation of its being emotionally difficult. The emotionally challenging nature of the downsizing created internal conflict in as much as each participant experienced tension between his or her professional role and responsibilities (duty to the corporation) and his or her personal values and preferences (empathy for the impact the downsizing had on staff who were terminated and the residual effects on all those who remained). This induced each participant to develop and implement a downsizing plan intended to minimize the potential harm both to the corporation and to its staff. Each participant's prior downsizing experience engendered confidence he or she could do what was necessary despite its being difficult, though this did not obviate the need for recovery afterward.

Key Constituents, Including Empirical Variations and Contexts

The general structure of the downsizing experience for the four corporate Human Resource managers who lived the experience included the key constituents that follow. These key constituents are also depicted in Table 2 with representative examples for each participant.

- Acceptance of the business necessity for downsizing.

- Oversight for the implementation of the downsizing that resulted in workforce reductions.

- Anticipation of the downsizing's being difficult and an awareness of internal conflict between the HR manager's professional role expectations and his or her personal preferences/values.

- Confidence in one's ability to do what was necessary, though difficult, because of prior experience implementing downsizing.

- A desire to control the process by developing and implementing a thoughtful and thorough downsizing plan, intended to minimize potential harm both to the corporation and to its staff.

- The need for recovery.

Acceptance of the business necessity for downsizing. While all four participants eventually came to accept the need for downsizing, they came to their acceptance in different ways and for different reasons. Participant 1, for example, recounted that her company's closure of its out-of-state office, which comprised the majority of the company's downsizing activities, was a business necessity given shifting real estate markets and the generally poor economy. Participant 2 talked about the shift in the

economy, together with changes in his corporation over time that suggested an opportunity to improve operational efficiency. Participant 3 spoke explicitly about her division's sales being linked to the health of the housing market. When the recession hit and the real estate market fell, so too the division's revenues; sales revenues decreased 25%. Additionally, the division's second round of downsizing was precipitated, in part, by the fact the division was a supplier of raw materials to other company locations and those locations weren't placing orders because their business had declined. Participant 4 realized fairly quickly the tenuousness of her employer's financial situation and what she perceived as the inevitable necessity to reduce staff and the associated payroll expenses.

Oversight for the implementation of the downsizing. In all cases, the planning and implementation of the downsizing involved other key managers in the HR managers' companies, as well as the HR managers themselves. In some cases, it also involved consultation with external sources (e.g., legal counsel). Additionally, the roles of the HR managers varied in terms of the extent of their strategic and/or tactical responsibilities. All four had responsibility for overseeing the implementation of the downsizing, however.

This responsibility involved the participants' active participation in a variety of tasks and activities. Most obvious, perhaps, were the actual termination meetings with impacted staff. With respect to the companies for which Participants 2, 3 and 4 were employed, a representative from the HR department was always present when a manager delivered the news in a one-on-one meeting. However, the situation for Participant 1 was slightly different because all but a couple of the staff being terminated were geographically distant. So, Participant 1's conversations with staff often took place by

telephone/teleconference (and, even by email) after a staff member received the initial news from his or her manager. For example, the CEO of the out-of-state office met with his staff in that office en masse to deliver the news about the office closing and the elimination of their jobs prior to Participant 1 meeting with the staff via teleconference.

Moreover, while three of the four HR managers—Participants 1, 3 and 4—were directly involved in meetings and/or conversations with those staff whose jobs were being eliminated during their companies' major downsizing initiatives, one was not. Participant 2 oversaw the downsizing with assistance from his HR leads at various locations. However he was not directly involved in meeting face-to-face with staff being involuntarily terminated until after his corporation's two major downsizing events were concluded and the position held by a member of his own HR staff was eliminated, which was a one-off situation. This is because Participation 2 was responsible for conducting notification meetings with the senior leaders of his organization and none of them were terminated as a result of the corporation's major workforce reductions.

Anticipation of the downsizing's being difficult and an awareness of internal conflict. All the HR managers revealed in various ways a tension between their corporate role and responsibilities and their personal preferences and/or values. Furthermore, their prior downsizing experiences contributed to their anticipation of the many ways in which downsizing was likely to be emotionally difficult. Thus, these four managers expressed a desire to do the very best job they could to ensure the staff being terminated were treated with dignity and respect and to try to make a difficult situation less so for everyone impacted. What exacerbated the concern of some managers was a realization the staff being downsized would likely have some difficulty securing their next job opportunity

given the poor economy. Fully acknowledging and addressing the emotional impact the downsizing had on the HR managers themselves appeared to be deferred until after the HR managers had responded to the expectations of their respective organizations and the perceived needs of others.

Confidence in one's ability to do what was necessary, though difficult, because of prior experience. The planning and implementation of the downsizing called upon the participants' knowledge of relevant employment law, their expertise in dealing with human relations matters generally, their ability to access and deploy the appropriate resources (human and material) as needed, and their creativity. All four participants reported they had prior experience implementing downsizing initiatives, as well as a fair amount of HR experience generally. This engendered self-confidence in their ability to successfully implement their companies' downsizing initiatives, though emotionally difficult. Participant 1, for example, even had prior downsizing experience with her current employer dating back to 2002.

A desire to control the process. Each participant talked about trying to anticipate possible staff and manager needs and reactions. And, they revealed an interest in being able to control the process, and the people, to as great an extent as feasible. They did not appear to be interested in control for its own sake, however, but rather to ensure a successful implementation and to minimize surprises—for the managers involved, for the staff being terminated, for those who would remain in their corporations' employ, and for themselves.

Evident in the descriptions provided by all four managers was a desire to successfully enact their professional role and responsibilities in a way that minimized the

potential harm, demonstrated compassion and evenhandedness, and supported everyone's self-respect—as well as minimized the corporation's potential legal exposure and protected its reputation. These HR managers were acutely aware of the emotional toll downsizing takes on everyone within an organization, that it can even provoke extreme and regressive behaviors, including the possibility for violence. Additionally, a failure to effectively manage communications could have resulted in poor morale, lost productivity, and a decline in shareholder confidence. Thus, having a well-developed, thoughtful and thorough implementation plan and following that plan were vital to ensuring an otherwise difficult situation be made less so for everyone involved. Moreover, their attempts to plan for and then control the process likely served as a coping strategy as well.

The need for recovery. The need for recovery took different forms for each of the participants. In addition, there were differences among the participants in terms of the extent of their conscious awareness and explicit acknowledgement of the impact the downsizing had on them. Participant 1, for instance, primarily spoke in positive terms, describing her recent downsizing experience (and previous downsizing experiences) as a good learning experience. She also reappraised the experience affirmatively by likening it to the terrible wildfires that can bring new growth in the aftermath of their destruction.

Participants 2, 3 and 4 appeared to be more consciously aware of downsizing's impact on them and/or more willing to openly discuss their need and strategies for recovery. Participant 2 said the emotional toll the downsizing took on him was "significant," requiring a couple of weeks for recovery afterward. Participant 3 described her downsizing experience as "emotionally draining" and revealed she was seeing an executive coach and a counselor, as well as discussing her downsizing experiences with

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colleagues in the HR community. Participant 4 was also trying to recover from her recent

downsizing experience. Not only was she struggling with the internal conflict she

perceived as inherent in her role and responsibilities as an HR professional, she was also

angry about the manner in which she and others were treated by her former employer

during the downsizing.

Table 2

Overview of Key Constituents

Constituents	P1	P2	P3	P4
Acceptance of the business necessity for downsizing that resulted in workforce reductions	Corporation's out-of-state office not able to support its own operations since being acquired; also workforce reductions in other locations due to poor economy and changing real estate markets.	Financial impact of downward shift in economy, as well as management's concern about efficiency of its operations and its fiduciary responsibility to shareholders, necessitated downsizing.	Business declined 25% due to downturn in economy; orders for raw materials from other company locations stopped. All other cost-cutting measures had not been sufficient.	Start-up company was not able to secure much-needed financing and sales were non-existent in 4th Qtr 2008. Stopped paying rent on one of its office; was in arrears paying its suppliers.
Oversight for the implementa-tion of the downsizing	Had overall responsibility for implementation as the company's only HR professional.	Had both strategic and tactical roles and responsibilities as member of senior leadership team and head of HR for entire corporation.	Had both strategic and tactical roles and responsibilities as member of division's senior management team and director of HR.	Had overall responsibility for implementation as the company's only HR professional.
Anticipation of the downsizing's being difficult and an awareness of internal conflict	Spoke about her sorrow at knowing what was coming and what staff were going through. Wanted to ensure best experience possible in a bad situation.	Expressed concern about potential for rumors, poor morale, broken trust, violence. Described significant emotional toll on himself.	Said she worried about everyone to the exclusion of herself. Was still second-guessing herself some eight months after.	Described her dual role and conflicting emotions: Knew downsizing was necessary; also felt "icky" about what she anticipated having to do.

(continued)

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Constituents	P1	P2	P3	P4
Confidence in one's ability to do what was necessary, though difficult, because of prior experience	Seasoned HR professional with prior downsizing experience, including with current employer seven years prior.	HR professional with over a decade of HR experience specifically, as well as previous experience leading many downsizing initiatives.	HR professional with over 25 years' experience who had previous downsizing experience.	HR professional with experience on both sides of the proverbial downsizing fence: Had implemented downsizing previously and had been terminated herself more than once.
A desire to control the process	Desired a more strategic role in addition to what she described as her operational one; wished more of her suggestions and offers of help had been accepted	Not only wanted control over the process, he asserted this was what he could and did control; viz., the form the downsizing changes took and most certainly over how they were implemented.	Felt strongly about how best to implement the downsizing; tried to avoid interactions with corporate headquarters, adopting an attitude she'd ask for forgiveness rather than permission.	Didn't know what to expect from staff or what she could count on from executives. Hoped having a plan and process would ensure a great deal of structure so things would go smoothly.
The need for recovery	Background presence: Demonstrated more in her behavior than by what she described explicitly.	Talked about being "totally spent" after both rounds of his corporation's downsizing, and about specific actions he took to recover.	Was unprepared for the full impact of the downsizing's emotional impact on herself, as well as on others in division for which she worked.	Had the worst downsizing experience of her career to-date: Disjointed, disrespectful and demanding. Still trying to recover.

Relationship Among the Constituents

It is critical to remember that the structure of an experience is not based on

empirical facts alone, but on imaginative variations and insights as well. Additionally, the

concrete descriptions provided during the interviews and their associated meaning units

need to be considered holistically (Giorgi, 2009a) from an OD perspective. Sometimes an

important implicit [OD] meaning is not stated anywhere but it has a strong background presence (Giorgi, 2009a, p. 132).

As explained in Chapter 1, a distinctive feature of phenomenology is "the assumption that *there is an essence or essences to shared experience*" (Patton, 2002, p. 106); namely, a quality or state that makes a particular phenomenon what it is (van Manen, 1990; Zahavi, 2003). Moreover, there exists a relationship among the constituents of the essence such that they cannot and do not stand alone. As has already been stated (see Chapter III), the structure is more than the sum of its parts, and it is not a mere summary of the facts. In determining the structure of an experience, therefore, the researcher seeks to determine the absolutely necessary and invariant constituents of that experience—namely, those constituents without which the experience would not be what it is for the participant(s) who lived it—and the relationship among them (Giorgi, 2009a).

With respect to this study, downsizing was experienced when the HR managers' respective employers made the decision to apply cost-cutting measures that resulted in reductions in their workforces. The actual notification meetings with staff being terminated occurred within a larger and even longer process of planning for, implementing, and recovering from the downsizing. The process of planning for and implementing the downsizing itself was a dynamic one, susceptible to change throughout. For the downsizing to have been implemented as well as any difficult undertaking could be, those responsible for the downsizing had to accept both the business necessity for the downsizing and their responsibility for overseeing its implementation. Had any one of the four HR managers not accepted the business need for his or her company to downsize, or not been willing to accept her or his ownership for the implementation of the downsizing,

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I believe it is reasonable to assume either the downsizing would not have occurred or (more likely) the recalcitrant HR manager would have been terminated—leaving someone else with the responsibility for implementation.

Having prior downsizing experience enabled these HR managers in two significant ways. First, it gave them confidence they possessed the knowledge, skills and abilities to enact their professional role and responsibilities by assuming oversight for the implementation of the downsizing. Second, the knowledge they gained from their previous downsizing experiences helped inform the approach they took to planning and implementing their most recent downsizing experiences: It provided the subject matter expertise they needed to be successful from a technical (business) point view—such as knowledge about relevant employment law and the kinds of documentation that might be required—and an awareness of and sensitivity to the social (human) implications—for the managers involved, for the staff being terminated, and for all those who would remain in their companies' employ.

Their knowledge also contributed to the internal conflict they experienced and their anticipation of the many ways in which downsizing can be difficult. It enhanced their desire to develop and to implement a thoughtful and thorough downsizing plan intended to minimize the potential harm to the corporation and to its staff. The development of a downsizing plan necessarily, therefore, took into account the corporation's potential legal exposure, reputation and financial constraints, as well as the various needs of staff (e.g., psychological, financial, and informational). Ultimately, each HR manager believed the more control she or he had the greater the likelihood the downsizing plan would be well considered and well executed, hopefully with no

surprises. Finally, the emotional tension they experienced as a result of the downsizing created a need for recovery.

Thus the key constituents showed themselves to be interdependent: All the HR managers accepted the necessity and the responsibility for implementing the downsizing and, having had prior downsizing experience, they were able to draw upon those experiences, which manifested in their sensitivity to both the business and the human implications of their decisions and actions, decisions and actions they desired to control to as great an extent as possible to ensure a successful outcome, but which also took an emotional toll on them and created a need for recovery afterward. Though the downsizing particulars differed for all four HR managers, the key constituents that emerged were essential for a successful outcome. The absence of any one of the constituents would have resulted in a different experience. The relationship among the key constituents of the general structure is the essence of the lived experience of downsizing for the four research participants. A visual representation is shown in Figure 2.
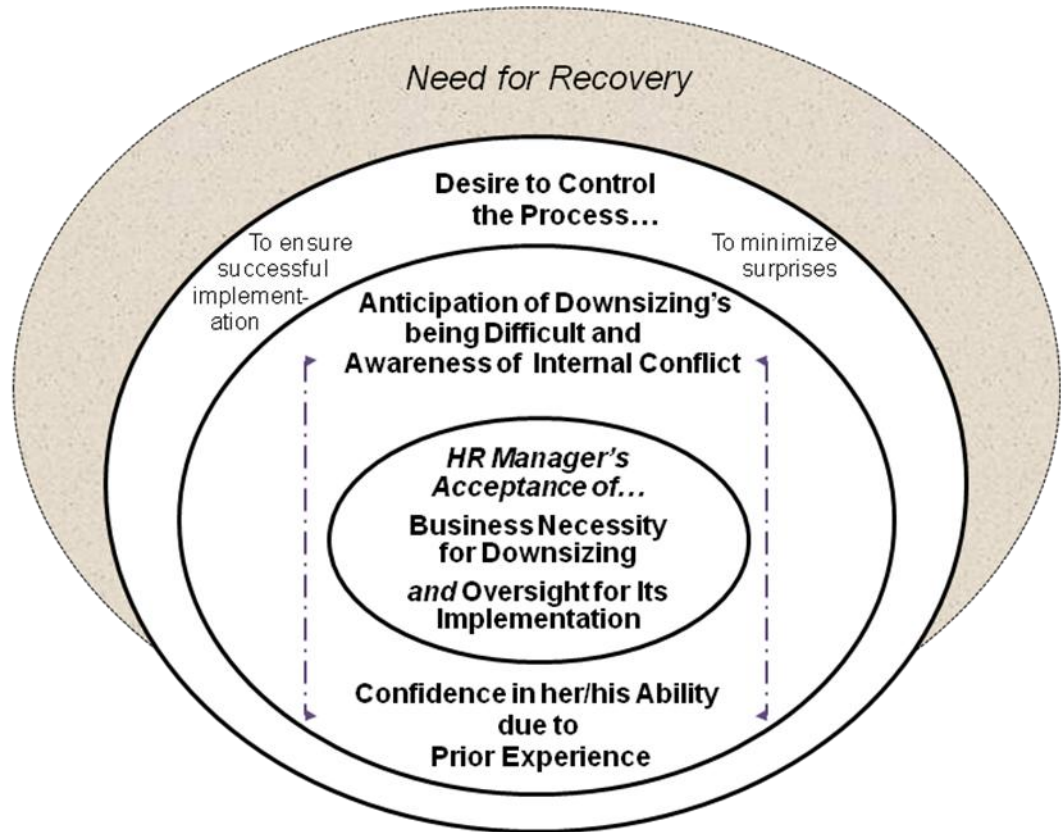
Figure 2. Graphic representation of the relationship among the key constituents

Chapter V. Discussion and Conclusion

Elaboration of the Key Constituents

What follows is an elaboration of the results from the interviews with each of the four research participants. While there were similarities among the participants' experiences, as evidenced by the general structure of their downsizing experience, each experience was uniquely lived. Furthermore, as was reiterated in Chapter IV, Relationship Among the Constituents, the constituents are interdependent and need to be considered holistically. Together they form the essence of the downsizing experience.

One fundamental interview question was asked of all the participants: To describe, in as much detail as possible, their most recent experiences as Human Resource managers having responsibility for the implementation of their corporations' downsizing initiatives (see Chapter III, Method). The quotations cited in this section are extracted from the verbatim descriptions provided by the research participants unless otherwise explicitly noted. The full transcript for each interview can be found in Appendix E, including the clarifying questions and comments made by the researcher during the interview.

Finally, each of the subsections below corresponds to a key constituent in Table 2; these constituents are presented in the same sequence below as in Table 2 in Chapter IV. Each of the six key constituent subsections is further divided by participant.

Acceptance of the business necessity for downsizing. The four participants were involved in their companies' downsizing activities during 2008 and/or 2009. As already made evident, the experience of downsizing for these human resource managers occurred against the backdrop of one of the worst economic recessions in the history of

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the United States. At a macro-economic level, all were operating within a shared societal context though their individual corporate environments were unique. Additionally, while each of the managers came to accept the business necessity for the downsizing, each came to an acceptance in his or her own way, Participant 3 seemingly more slowly and reluctantly than the others.

Participant 1. Participant 1, for instance, recounted that her company's closure of its out-of-state office, which comprised the majority of the company's downsizing activities, was a business necessity given shifting real estate markets and the generally poor economy. After 2 years, according to Participant 1, the company's out-of-state office still was not able to fund its own operations; the out-of-state office's operations were being paid for by corporate headquarters, which did not want to continue to bankroll it and did not have confidence the out-of-state office's financial condition would improve in the near term. (In addition to closing its out-of-state office, the company terminated two staff in its corporate headquarters—creating greater operational efficiency as their jobs were eliminated and redistributing the work among the remaining staff—and two staff in locations outside the United States.)

Participant 2. Participant 2 explained that because of the economic downturn and the fact it had become over-staffed during more prosperous times, the corporation for which he worked reached a point where it needed to assess whether or not it was optimally structured and had the right combination of people, processes and technological systems to maximize its productivity and shareholder value. Participant 2 used the euphemism *rightsizing* to describe his corporation's efforts to examine how work was being done and what and how resources—time, money, staff—were utilized. The first

step in this assessment process was to conduct what Participant 2 called an impartial gap analysis, involving people with the necessary expertise and the relevant data. Once the gap between the corporation's current state and its ideal future state was identified, the corporation's leadership began to develop a method for identifying those staff who would be most directly affected by the implementation of cost-cutting measures and of operational efficiencies resulting in job eliminations. It is worth noting that toward the end of his interview Participant 2 stated the company's original intention was to increase efficiencies and decrease expenses without having to reduce its workforce.

Participant 3. Participant 3 also spoke about her division's initial attempts to manage their difficult financial circumstances by implementing cost-cutting measures that did not include reductions in the workforce. For example, the division's previous practice of maintaining 10% of its manufacturing workforce with temporary contract labor was insufficient when economic circumstances suggested a temporary workforce of 25% would be preferable if the division's management wanted to avoid having to terminate regular staff as opposed to the temporary contract labor. (By definition, temporaries come into a work environment knowing their work with the company is meant to be transient.) Furthermore, explained Participant 3, the division's management team tried to manage expenses by attrition (namely, by not backfilling job openings when staff voluntarily terminated their employment) and by eliminating expenditures for anything deemed non-essential, such as employee parties and season tickets to sporting events. However, after a year of implementing these cost-cutting measures, from October 2007 until October 2008, the division recognized the steps it had taken weren't sufficient; sales revenues were still significantly less than the division's expenses.

In an attempt to avoid any further downsizing after the December 2008 workforce reductions, Participant 3's division froze wages and employer contributions to the 401(k) plan and required everyone take furlough time off (with the exception of essential staff, such as those in the IT department). However, almost immediately, the division was confronted with the fact it couldn't meet its budget for the new year (2009). According to Participant 3, "sales were much worse" and the division wasn't receiving any orders for raw materials from the company's other locations for which they were a supplier, which had an impact on her division's revenues.

Participant 4. Finally, Participant 4's company was compelled to respond to the failure of expected funding to materialize and to non-existent sales in the 4th Quarter 2008. The company had recently hired new staff, including Participant 4, in September 2008. However, within 6 weeks of hiring Participant 4, management began to talk about downsizing. Between its lack of sales, unrealized funding and the generally poor economy, Participant 4's employer had encountered an "interesting storm" that resulted in workforce reductions in October 2008 and again in January 2009. The workforce reductions in January 2009 included Participant 4 herself. From Participant 4's perspective, "I knew they couldn't change their mind. I had seen their budget numbers. There was no way we could *not* get all these people off the payroll."

While none of the HR managers was singly responsible for the decision to downsize—Participants 2 and 3 were each among a group of corporate senior managers involved in making the decision for their respective employers—all four human resource managers eventually found themselves anticipating and planning for reductions in their companies' workforces.

Oversight for the implementation of the downsizing. In all cases, the HR

managers had responsibility for overseeing the implementation of their corporations'

downsizing initiatives. What differed from one HR manager to another were the specifics

related to each employer's particular plan and process. Planning for the downsizing

included various activities and tasks, both strategic and tactical, which varied from

company to company. For example, decisions had to be made about which jobs and staff

were most essential to continued business operations and to the long-term success of the

corporation. Then decisions had to be made about how the termination meetings with

staff would be conducted: When, where, how, and with which managers present.

Participant 1. Because of the relatively small size of his company, Participant 1's

manager, "the CEO of Company A," was the primary strategist of his company's

downsizing plans. According to Participant 1, her role and responsibilities were more

tactical than strategic. Participant 1 did work closely with her manager, as well as with

select other managers, in the planning and implementation of the downsizing. She said,

for example, she made recommendations to her manager and alerted him to areas in

which the company might have some legal exposure, and she worked with him to map

out a strategy for notifying the CEO of their out-of-state office it would be closed. She

coached the managers who had to deliver termination messages; she prepared the

severance agreements and frequently asked questions (FAQs); she drafted

communications and participated in a teleconference with the members of the out-of-state

office. In addition, she conferred with external counsel with whom she was familiar and

had worked previously, as well as with an outplacement consultant. Participant 1

expressed the view she had overall responsibility for oversight as the company's

custodian: Responsible for ensuring the downsizing was implemented in the best way she could envision, even though it might not have been implemented perfectly.

Participant 2. Participant 2 shared his perception the situation provided a significant opportunity for him, as the corporation's Senior Vice President and Chief Human Resource Officer, to demonstrate his abilities as a leader and to highlight his position within the organization. Thus, Participant 2's role and responsibilities were both strategic and tactical. He was one of the key decision makers and architects of the corporation's downsizing plan. As the primary person in charge of overseeing the implementation of the downsizing plan, Participant 2 partnered with other managers at the executive level, while his HR heads at each of the sites worked with the functional leaders of those sites to gather information and to develop the plan and associated processes. He did not actually meet with anyone being terminated because no senior executives were terminated during either of the corporations' two major downsizing events. However, Participant 2 was later involved in a "one off" involuntarily termination within his own department as the result of a "unique need."

Participant 3. Participant 3 was a member of the senior management team for her division, which included her manager (the division president), and nine other senior managers. Participant 3 partnered with her peers on the senior management team in planning and implementing the division's 2008 and 2009 downsizing initiatives, though Participant 3 and her HR department had ultimate responsibility for overseeing the implementation of the downsizing. There was an HR professional delegated to each business unit, and that HR professional worked closely with the senior leader of the unit

to determine which jobs (and staff) were least essential to the business. Once these decisions were made at the business unit level, they were calibrated at the division level.

During the division's December 2008 downsizing, Participant 3 worked with the three HR managers who reported directly to her; not everyone in the HR department was made aware that downsizing was imminent. When the division experienced another downsizing in the first quarter of 2009, Participant 3's entire HR team was told about the impending downsizing. Moreover, Participant 3 consulted with a regional employer's association, Mountain States Employer's Council, as well as with corporate in-house counsel, and with her state's Department of Labor and Workforce Centers. It wasn't until the downsizing in the first quarter of 2009, however, that the leadership of the division's corporate office was also more directly involved in trying to define the terms of the severance arrangements for terminating staff.

Participant 4. Participant 4 worked with her start-up employer's senior management team. The senior management team consisted of five senior executives whom Participant 4 was trying to influence: A chief executive officer (CEO), president, chief financial officer (CFO), chief operating officer (COO), and vice president of sales. Based on Participant 4's description of her downsizing experience, the CEO and the president appeared to be the major decision makers in terms of the extent of the workforce reductions and the timing. Participant 4, as the company's only HR professional, had primary responsibility for implementation: Ensuring paperwork and final checks were prepared; meeting with staff being terminated, together with a member of management; and so on.

Attempts to create a financial safety net. Because the companies which employed

Participants 1, 2 and 3 provided severance packages for terminated staff, these three HR

managers were engaged in the creation of the terms of those severance agreements.

Additionally, they developed supplemental materials to answer questions they believed

staff were likely to have. Participants 2 and 3 made arrangements for outplacement

services support to be available to terminated staff. Participant 1 also wanted make

outplacement support available, but her managers rejected it as unnecessary for their

staff; only one staff member who specifically requested it was granted the benefit.

Participant 4's employer, on the other hand, was in dire financial straits and unable to

provide more than a couple weeks' severance to the staff being terminated—as well as

the required COBRA (Consolidated Omnibus Benefit Reconciliation Act of 1986)

benefit, which provided for continued healthcare coverage at individual rather than group

rates.

Care and concern manifested in the behaviors of all four participants. Finally,

oversight for the downsizing process did not just encompass the activities performed by

the participants. The creation and implementation of the downsizing plans and processes

reflected a level of personal responsibility, care and concern that manifested itself in the

behaviors of each of the four HR managers. This was apparent throughout the

descriptions.

To illustrate: In addition to the financial safety net provided by her company to

staff being terminated, Participant 1 revealed she has stayed in touch with terminated

staff to see how they are faring. Participants 2 and 3 spoke about meeting after the

downsizing with managers who had delivered termination notifications to see how they

were coping. Participant 3 also shared that she and her HR staff interviewed every single staff member applying for the company's voluntary separation program—all 250 people—to ensure they had a plan for the future and reasoned motivations for seeking the voluntary separation. Participant 4 said she worked over a weekend to make certain downsizing paperwork was in order. She was prepared to meet with staff on Monday morning despite being aware she herself would be terminated on Monday and despite the fact her manager didn't tell her about the downsizing until 5:00pm the Friday night prior!

Fundamentally, had the HR managers not been willing to enact responsibility for the downsizing, their lived experiences of the downsizing likely would have been very different.

Anticipation of the downsizing's being difficult and an awareness of internal conflict. While all the participants came to accept the business necessity for workforce reductions, they also anticipated the downsizing likely would be emotionally difficult, and they revealed an awareness of internal conflict between their professional role expectations and their personal preferences and/or values. (Participants 3 and 4, in particular, were the most overt in talking about this.) Contributing to their anticipation and internal conflict was the knowledge that resulted from their previous downsizing experiences, the reality that some staff would be displaced during particularly poor economic conditions, the extended span of time over which their downsizing responsibilities were enacted, and other circumstances specific to each (elaborated upon below).

The HR managers had anywhere from a month to a year or more to ruminate about what might happen and what should be done in preparation. This presented the

participants with a fair amount of time to anticipate what could go wrong, and what needed to go right. Plus, while all of them had previous experience, each downsizing "is far from routine, and every situation is truly unique" (Pfadenhauer, 2009, p. 94).

At least two of the HR managers, Participants 2 and 3, had an opportunity to consider cost-cutting measures that might forestall the necessity for workforce reductions. When the decisions were made to reduce staff, each of the four HR managers tried to anticipate what information staff would need and potential staff and manager reactions. This led to deliberations about whether or not an employee assistance counselor needed to be available on-site the day of the notification meetings; about whether Security personnel should be present to walk terminated staff off-site, or not; about what, how, when, and to whom communications needed to be made; about whether an HR professional needed to be present to ensure the managers delivering the termination message did so reliably, and so on. Furthermore, once dates for the termination meetings were established, the HR managers were among a select few who were privy to which staff would be terminated and when—which left them waiting, not eagerly but apprehensively.

Participant 1. Part of the conflict for Participant 1 was articulated in her view that there was no single, best way to implement downsizing because ultimately it meant some staff lost their jobs and their livelihoods. For her, there was never an easy or a pleasant way to tell someone they do not have a job anymore. Even if there was a legitimate business reason for reducing the workforce and a thoughtful implementation process, the bottom line for the staff member was that she or he was out of work. So Participant 1, similar to the other three HR managers, attempted to enact her professional role and

responsibilities as well as she could envision. Participant 1's statement below reflects her feelings in anticipation of staff receiving notice of their termination.

> Um, I was really sorry to see people losing their jobs. And, you know, um, I really felt for these people as they were going through this and knowing that they were going to receive their notice on such and such a day. And I think that if I had not felt horrible on those days, maybe I would need to get out of HR.

Participant 2. Participant 2 expressed similar sentiments, though in a seemingly more detached way. For Participant 2, an HR leader's professional role and responsibilities include the preservation and promotion of the economic viability of his corporate employer—particularly, perhaps, when that corporation is publicly owned—despite the harm it may cause to some individuals. Similar to Participant 1 and to the other two participants, Participant 2 expressed his desire to balance his perceived responsibility to the corporation as a whole with his felt responsibilities to individual staff within the corporation. His remarks below are illustrative, and they mimic an often-heard catchphrase in the business arena: "It's nothing personal; it's just business" (Alexander, 2000, p. 545).

> I think when it gets to this point, it is a point not of, it is a point of getting to ownership, meaning, you know, nobody likes these situations, so, but if when the economy shifts like it has, and we obviously have a fiduciary responsibility to review the structure of the business and ensure we are operating as sufficiently as possible as a public company. And so, you know, it's not good or bad, it just is.

Consequently, Participant 2 expressed a determination to do what he could to ensure the downsizing process had integrity; namely, that it resulted in terminated staff

feeling as though they were being treated honestly and with sensitivity, their contributions to the corporation valued, and they were being provided the financial benefits necessary to create something of a safety net until they could secure their next job. The words "fairly" and "respectfully," or their equivalents, were repeated by Participant 2 throughout his interview. Furthermore, in anticipation of the reductions in workforce, Participant 2 was relentless in his efforts to ensure he and his HR staff went into the downsizing as well-prepared as possible. (See the subsection, "A desire to control the process.")

Participant 3. Of the four participants, Participant 3 was the person who was the most obviously conflicted about her division's workforce reductions. Participant 3 declared, "You just expect to feel bad when you're going through this." She also revealed the "stressful" time started for her a full year before any involuntary terminations occurred, when talk of cutbacks and her concern about the possibility of workforce reductions began. She shared her conviction that no HR person enjoys involuntarily terminating staff, especially in a corporate downsizing where involuntary terminations occur through no fault of the staff members' own. Participant 3 observed, "HR people like to hire not fire." Having to reduce the workforce was perceived by Participant 3 as a management failure. Indeed, eight months after her division's most recent downsizing, Participant was conflicted, torn between the knowledge she had no control over the poor economic climate and feelings of guilt about whether she might have done more to avoid the reductions in the division's workforce.

I have had quite a bit of experience in that in previous jobs. Um, and, um, you

know, so it wasn't an unknown feeling, *but because I had had some previous*

experience, it is hard [italics the researcher's].

The majority of the division's staff were colleagues with whom Participant 3 had

a long-term professional relationship. On average, staff had been an integral part of the

division's workplace community for about nine years, which made it even more difficult

for Participant 3 to think about the possibility of having to involuntarily terminate some

of them. "Nobody [at the division] wanted to cut people," certainly not Participant 3. She

stated they were "trying to shield jobs" where they could.

Furthermore, when talking conceptually about reducing the workforce and the

criteria that would be used for making termination decisions, the planning process felt

sound. When the conversation was no longer conceptual and the members of the

division's senior management team began to consider the individuals who would be

terminated, reality set in and the process became more challenging for Participant 3.

Describing the internal conflict she experienced, Participant 3 shared,

I'm not sure if this is appropriate or not, but we often have, uh, in my group, we

have a large number of Catholics, so we talk about guilt very often and how we

respond to guilt, and, and, um, you know, and feeling that sense of personal

responsibility. And so, I think, um, initially it felt like we were going through the

right process. But, you know, ultimately it, it went through a piece of paper to a

person. And so, you know, at our most, you know, you never feel good about

anybody losing a job.

Participant 3's description of her downsizing experiences, generally, suggested an attitude and behaviors that were proactively pro-labor. For example, when a freeze on wages was mandated by corporate headquarters after the December 2008 downsizing, Participant 3 expressed satisfaction it applied only to exempt staff, who were typically among the higher paid in the division. In the December 2008 downsizing and the voluntary separations in February 2009, Participant 3 was able to maintain terminated staff's healthcare insurance coverage for the same period of time as their salary continuation because of the favorable terms of the division's self-insured healthcare plan (and despite objections by corporate headquarters). COBRA coverage, which tends to be expensive, then became an option when terminated staff's regular healthcare continuation coverage ended, providing a possible bridge to an early retiree's eligibility for healthcare coverage under Medicare. This is not to suggest the other HR managers were not equally concerned about the impact downsizing had on their workforces. Working for a larger and established corporation, Participant 3 may have perceived she had more options available for consideration—as compared with Participant 4, for example, who saw her small, start-up technology company as being on the verge of collapse.

Participant 4. Because of her short tenure with the company and the limited interactions she'd had with the senior management team, Participant 4 recalled she didn't know what to expect from the senior managers and she didn't feel as though she could rely on them, factors that intensified the anxiety she felt. The behavior of the senior executives seemed so erratic to Participate 4, she was constantly trying to anticipate what was going to happen next. After the October 2008 downsizing, Participant 4 remembered that everyone in the company waited anxiously for the 4th Quarter 2008 financials. Even

Participant 4 closely watched to see what the sales revenues were, which she claimed was uncharacteristic for her generally. When Participant 4 became aware nothing had been sold as of the end of December 2008, she began to anticipate further cost-cutting and the likelihood of additional staff reductions.

Participant 4 disclosed she'd been through downsizing previously to her most recent experience, and it was always a difficult experience. However, the fact she was new to the company and didn't have experience with the senior management team, created added uncertainty and anxiety. At the start of her interview, Participant 4 explained,

> I didn't have yet completely established relationships with the senior management who would be making these decisions. It is a lot easier when you, in my opinion, when you know all the parties and know how people are going to react and how people respond and how people make decisions.

Describing the conflict inherent in her role and responsibilities, Participant 4 observed that HR professionals often know privileged personal information about staff even before staff's families or close friends know due to the potential impact the information has on how staff perceive their jobs. An HR professional is likely to know, for example, if a staff member or a member of the staff member's family is suffering from a serious mental or physical illness, if a staff member is pregnant, or if a staff member is experiencing financial difficulties, and so forth. For Participant 4, working for a relatively small company and knowing this privileged personal information about staff made her job more difficult when she realized she would have take action that would result in potential harm being done to the staff. Participant 4 explained, "You know, you

know too much about people when you are that small, what they are going to be worried about, what the person's situation is."

It is worth noting Participants 1 and 3 made similar remarks. Participant 1 commented that hers was a small company and she was very close "on a professional level" to most of the staff. She continued to stay in touch with staff after they'd left the company. Participant 3 remarked she and her HR staff "tried to be aware of what's going on with people's lives."

Exacerbating Participant 4's internal conflict was the fact her employer had significant fiscal difficulties that prevented it from being able to pay more than a week or two of severance. Participant 4 would have liked to provide more in the way financial support to those being terminated, but her employer did not have the monetary resources to do so. Approximately nine months after she was terminated, Participant 4 expressed surprise and relief that she continued to be eligible for COBRA benefits. She had not expected the company to survive long enough to make COBRA a continuing option for herself and for the others who had been terminated.

> And so, it is really weird being an HR person during a layoff because I always have two very conflicting emotions. And one is, I am very important here and they really, really, really need me right now, *and* this is a really horrible thing we are doing to people….
>
> You know, I feeling really icky about what I did. But, again, that dual role: You are very, very important to the organization and you are in this leadership role—"We couldn't have done it without you." Yet you are also like, "God I wish

I wasn't the person telling these people that, you know, we are taking away their income and dramatically changing their lives.

Attempts to ease the transition. Participants 1, 2 and 3 all spoke about their companies providing severance payments and the continuation of certain benefits, such as access to outplacement services. Participant 1 stated her employer even allowed staff to continue to use their former office space, phones and email to conduct their job searches. One staff member was kept on the payroll, at his request, for an additional 13 months until he turned age 62, so he could take advantage of his state's benefits. Furthermore, Participant 1's employer offered to cover the expenses associated with terminated staff's healthcare continuation coverage under COBRA from May 1, 2009, though the end of 2009, to ensure they were able to have healthcare benefits through year-end. Additionally, Participant 1 wanted to provide outplacement support to the staff being terminated; however most of the terminated staff's managers thought it an unnecessary benefit.

Participant 3's division was the only business out of the four that offered staff and managers the option of taking a voluntary separation package. This option was not offered in the division's first round of workforce reductions, in December 2008, although Participant 3 did try to convince her peers this was a more humane and just approach to reducing its workforce. It was only in the second round of staff reductions, in February 2009, that the division offered a voluntary separation arrangement. Participant 3 did not know why the members of the senior management team changed their minds. She guessed it was because of the emotional toll the downsizing in December 2008 had on everyone in the division, not just on those who lost their jobs. Because of the number of

staff and managers who chose the voluntary separation arrangement in February 2009 (66 were accepted), the division only had to further reduce its workforce involuntarily by 10 people.

Confidence in one's ability to do what was necessary, though difficult, because of prior experience. All the HR managers reported having prior experience implementing downsizing. For all four, the fact they'd been involved in the implementation of downsizing initiatives previously in their careers gave them confidence they knew what needed to be done and how best to do it (while also contributing to their unease). Indeed, they perceived their involvement as vital to ensuring the downsizing was implemented "as professionally as possible" (Participant 4). While it was Participant 4 who explicitly articulated the view "you hate to think of what it would be like without you there," all four HR managers shared this mindset.

Participant 1. Participant 1 had the most years' experience as an HR professional. Moreover, she had prior downsizing experience, including with her current employer. She asserted:

> I knew how to do this because I had done it before, and I had done it well, and I kept all my documentation, both electronically and in paper form, and I could show it to anybody and defend anything.

Participant 2. Although Participant 2 did not elaborate on his prior downsizing experience during his interview, he did mention that his most recent downsizing experience was the first with his current HR team. Participant 2's confidence in his ability to perform his role and responsibilities with respect to the downsizing was evident throughout the interview. Also, Participant 2 made reference to his extensive downsizing

experience in his initial email communication expressing interest in being a research participant. Additionally, when the digital recorder was turned off at the end of his interview, Participant 2 spoke about the exceptional training he received in flawless execution as a result of his prior military experience.

Participant 3. The fact that Participant 3, and her staff, had been involved with downsizing initiatives prior didn't make the experience any easier for her emotionally. However, it did engender confidence Participant 3 could enact her professional responsibilities successfully.

> So, um, because, again, our organization had not done layoffs; and, um, you know all of us had worked—actually, not all of us—um, most of us had worked at other organizations in HR, and that's where our experience came from in terms of handling this… So, um, our experience, I think, came through really in terms of how well the planning for that went….

Participant 4. Participant 4 reported having experience both implementing downsizing, and being terminated as the result of downsizing initiatives. Hence, she not only knew what was required of her as the company's sole HR professional, she was able to appreciate the situation from the perspective of staff being terminated. Knowing what it "felt like" to be dislocated by downsizing herself caused Participant 4 to "prepare a little differently" than she may have otherwise.

> I had been through this before and that really helped me. It was like, okay, I know how to do a layoff because, fortunately, I've got samples at home of all the, everything that needs to be created and to make this happen, and I know how to lead the meetings to make decisions…

I am really, really glad that I had been through this process before because if I had been uncertain about what to do and what the process was and it was all new to me, I think that would have been a huge mess, you know, with the blind leading the blind. At least I had been through a few rounds of layoffs before.

A desire to control the process. The process of actually planning for and implementing the downsizing was a dynamic one. Human beings are inherently unpredictable. So, despite the previous experience each of the HR managers possessed, and regardless of how well-conceived each manager thought his or her downsizing plan might be, it was impossible for any of the human resource managers to know for certain how people would respond in the moment. This lack of predictability applied not only to the staff being terminated, but also to the managers directly involved in the notification meetings with these staff whose employment was being terminated, and to those staff whose jobs were not at risk.

Consistent with their intentions to do the best possible job possible, all spoke about trying to anticipate possible staff and manager needs and reactions. To this end, they talked about the criticality of having a well-developed plan and then executing to that plan. Participant 2 spoke most explicitly about this. (Note: A description of Participant 2's experience begins the following sub-section, and Participant 1's experience is described last.)

Participant 2. For Participant 2, doing the best possible job necessarily included a plan for generating clear, timely, relevant, first-hand communication so the company's management was not on the defensive or responding to rumors, but, instead, was controlling the flow of information to maximize the likelihood staff would hear what was

intended. Not only did Participant 2 want to insure the company was directing rather than defending communications, he also wanted to ensure staff morale and productivity did not suffer unnecessarily, nor did shareholder confidence. Hence, Participant 2 worked to make certain there was a high degree of consistency across the various business sites when it was time to implement the downsizing by notifying staff whose employment was being terminated; everything took place at the same time regardless of geographic location.

Although Participant 2 asserted his lack of control over the corporation's financial circumstances and the current economic environment generally, as well as the necessity for downsizing that resulted, he maintained what he did have some control over was the form the downsizing changes took and how those changes were implemented. Though Participant 2 viewed the business decision to downsize as value neutral ("neither good or bad, just is"), how the downsizing was implemented was not. This was the arena in which Participant 2 felt most empowered. To have abrogated his responsibilities would have put Participant 2 at risk for having someone else in the corporation dictate to him what had to be done and how to do it. In which case, he would have had to implement someone else's plan and would not necessarily be able to perform to the best of his capability.

> If when the economy shifts like it has, and we obviously have a fiduciary
> responsibility to review the structure of the business and ensure we are operating
> as sufficiently as possible as   a public company…. And how do you get to that
> point? I am saying objectively, that it is not in my control. Ha, what is in my
> control is how we do this….

We do own this; and we are going to do this; and we are going to do it

right; and that is what we have control over; and we owe it to our company and

we owe it to these individuals….

Flawless execution of a well-considered and compassionate plan—this is the how—in a

difficult, unpredictable and potentially volatile situation constituted a job well done for

Participant 2.

So each of those stages have a lot of in-depth planning that have to go into it, and

I think the opportunity for the HR professional to look at each of those stages very

holistically and think through every step and put a plan together and mobilize the

HR team in a way that they know clearly what their expectations are, and what the

timelines are, and what pieces have to be done before other pieces, and so that it is

executed flawlessly. And that is incredibly important, to execute it flawlessly,

because any misstep along the way compromises the process.

Participant 3. Participant 3 recalled that her HR department laid out their

complete plan for implementation, including the documentation needed for the managers

involved in the notification meetings. P3 believed the managers were amazed and

reassured by the degree of planning that had been involved. Reflecting back on her

division's decision not to offer a voluntary separation agreement in the first round of

downsizing, however, Participant 3 observed,

So, needless to say, I was pretty disappointed by that. Um, and it did affect me a

lot personally. I mean, um, I think I saw it as, uh, I think I saw it as, even though

we were moving towards the layoff, I thought this was really a better way to

handle it. And, um, part of it was not getting my way, um, and part of it was, uh, I

knew it would be harder on the organization. Um, so, uh, so that was hard.

When a voluntary separation arrangement was offered in the second round of

downsizing, Participant 3 took extraordinary precautionary measures to protect staff from

the possible undue influence of their managers and to ensure their privacy—as well as to

ensure staff's motivations for applying for the voluntary arrangement were sound.

Meetings with staff considering the voluntary separation arrangement were held in HR

offices and the one-on-one meetings were scheduled by the employee using his/her

employee identification number, instead of his/her name. Even the assessment of the

applications was done using employee identification numbers. The HR department did

whatever it could to control the process—to ensure sound decision-making on the part of

staff and to prevent managers from knowing which staff applied for the voluntary

separation arrangement and from exerting any improper influence over staff.

Participant 4. Participant 4 perceived her work environment as chaotic and the

management of her start-up company as incompetent, generating an even more

pronounced need for her to reassure herself there was something, if not someone, she

could count on; namely a process that was "all mapped out" and, therefore, a plan of

action to which she hoped they all could commit.

My philosophy is you don't want one person telling an employee they are being

laid off. You always kind of want a witness, kind of good cop/bad cop; and

usually out of the two, there is someone they prefer as a person; so they kind of

focus their energy on that person when they have questions or concerns or they

are angry or start crying or whatever. So it is always good to kind of have the

two bodies in there….

     And it is nice if there is a lot of structure around it so that everybody can

kind of be calm, cool, and collected, and just get it over with….

In her company's first downsizing event in October 2008, Participant 4 said the

downsizing plan hadn't been fully implemented as she had created and hoped. Similar to

Participant 2, Participant 4 was cognizant staff who weren't being terminated were apt to

be sensitive to how the displaced staff were treated. Specifically she was concerned the

remaining staff would distrust and disrespect management because of how abruptly

they'd treated those who were being terminated, potentially causing lingering morale and

productivity issues.

    Participant 1. Summarizing her downsizing experience, prior to the recorder

being turned off the first time, Participant 1 noted that in the recent downsizing, as

opposed to her previous experience in 2002 with the same employer, there was no

general announcement to the entire company about the downsizing. Instead company

communications were limited to the staff who were most directly impacted. Participant 1

stated she would have handled the communication differently if she'd had control over

making the decision. Furthermore, in her previous downsizing experiences, the

downsizing activities had not continued over a period of so many months. As a result, in

her prior experiences, Participant 1 had the opportunity to prepare all the managers at

one-time through training designed especially for them as a group, which she preferred

for various reasons. Additionally, Participant 1 expressed some consternation she was not

as involved in developing the downsizing strategy to the extent she would have liked (as

was the case in her previous downsizing experiences including the one in 2002) and her suggestions and offers of support weren't always accepted. What's more, she wasn't always aware of what was being decided, though she was ultimately responsible for implementation. While she said she did not find the process unmanageable, she did desire having a more strategic role and more control over the process. As she herself said, "I didn't have charge of the whole thing," as she desired.

The need for recovery. The need for recovery was present for all four participants, though strategies for meeting the need differed and the extent to which the participants have been successful differed significantly. The need for recovery was explicitly expressed by Participants 2, 3, and 4. However, for Participants 3 and 4, there continued to be lingering unresolved thoughts and feelings related to their downsizing experiences. Participant 1, on the other hand, was less overt in talking about downsizing's impact on her; neither did she speak explicitly about her recovery techniques.

Participant 1. Participant 1 spent the majority of the interview describing very specifically what occurred for each person who had been involuntarily terminated, as well as the specific actions she had taken relative to her downsizing role and responsibilities. It was only after I turned off the recorder that Participant 1 began to talk about downsizing's impact on her. However, given a second opportunity to talk on the record about downsizing's impact on her, Participant 1 soon reverted to talking again about others—though she also commented she felt "crushed" by her interactions with the CEO of the out-of-state office. Throughout the interview, P1's personal experience of her company's downsizing was inextricably linked to her sense of what staff and managers were experiencing. It was clear that Participant 1's recovery was largely dependent on the

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extent to which she felt she'd been of service and on how others, terminated staff and those retained, were responding.

Participant 1 exhibited two other coping strategies. First, she blamed staff in the out-of-state office for not doing more to ensure their success and continued viability saying, "He [a young manager who had been retained] felt, incidentally, that we had done the right thing in closing the out of state office…. Maybe they had even more that they could have given to make their company successful." Second, she reappraised much of what had happened as a result of the downsizing in a positive, philosophical light (Lowenstein, 2009).

Describing her downsizing experience, Participant 1 made two remarks that were illustrative of her need to be of service and to reappraise her experience in a way that minimized its negative effects:

> But the fact is that I learned a lot of things in this reduction in force and so it was a good experience for me. And the last reduction in force was a good experience for me. One of the reasons is I feel privileged to help people, that I am the one who is there for them as opposed to anyone else, or in addition to anyone else, that I am there for them. So, that didn't change, um, and the feeling of being privileged to participate in something this personal and difficult for them…. Um, but it helped me realize each time something like this happens, it's still not easy and, um, and there were differences; there were differences. It isn't the same RIF [reduction in force] as the last one, or the last one, or the last one. So it was a great learning experience for me….

So, while these horrible, horrible things are happening, good things are, are blooming out of it. Sometimes it's kind of, um, akin to these horrible fires that are going on in California and Colorado right now. And we know that new growth is going to come out of that, you know. And so if it's people that have left, yeah, there's new growth opportunities; and for the people who are staying, there's new growth opportunities.

Participant 2. Participant 2 described the emotional toll his downsizing responsibilities took on him as "significant." Reflecting back on his experience, Participant 2 stated it wasn't the amount of work required or the number of hours he spent working, it was the emotional energy he expended that took its toll on him. He recalled that in both rounds of downsizing within a twelve-month period, he came out of the experience "spent" and sad and "really in a place where [he] had to recover for a couple of weeks." To get through the actual rounds of downsizing, Participant 2 focused on the activities that needed to be performed; his articulated way of dealing with the painful reality was to get busy and to take action. Afterward, he employed practices such as exercise, meditation, reading, rest, and reflection. Similar to Participant 1, part of what aided in his recovery was the conviction he and the members of his HR team had done a good job of implementation. As he said,

And, ah, you know, and also I think some of the recovery is the result of hearing how the fruits of your labor have played out. Um and it is not, "Okay yes, we did it without any violence." It's, it's people understood. They felt like they were exited gracefully. We treated them honorably. That the operators felt better prepared than ever; that they had all the communication; and that they knew what

was expected. That, so, not only did we accomplish the job well, it was *how* we

accomplished the job. So I think a lot of that feedback, you know, feeds the soul

as well. That, you know, we did the best we could.

Consistent with his emphasis on principles of fairness and justice, Participant 2

proudly revealed that post-downsizing he and his HR staff convinced corporate

management to provide everyone who remained with company stock to encourage their

commitment to the corporation's long-term success. This is something the corporation

had never done before and, given the recession, Participant 2 considered it an exceptional

benefit to offer. Furthermore, Participant 2 recounted that at the same time the

downsizing notifications were being made, his company notified the remaining staff

about its decision to make comprehensive salary cuts, from the CEO's salary being

reduced by 10% to the front-line staff having their salaries reduced by 2.5%. No one was

exempt from this. Contributions to the company 401(k) retirement plan were suspended

too. Participant 2 identified these actions as consistent with management's desire to have

everyone "bear some of the burden" of corporate cutbacks, and not to have to reduce staff

any more severely than they did.

Participant 3. Participant 3 also described her downsizing experience as

"emotionally draining." It was an experience from which she still had not recovered when

I met with her in September and October 2009. She disclosed she was seeing both an

executive coach and a therapist and talking with other HR colleagues. She also said being

part of this research study was helpful, "sort of a venting kind of thing."

Participant 3 was the only one of the four participants with whom a second

interview was conducted. During the second interview, she spoke about the aftereffects of

the downsizing on her entire division, as well as on herself, and about her reflections in trying to make sense of her experience. She began her second interview by stating that once she and her HR team knew there would be reductions on the division workforce, she began looking for information about best practices. She found information about victims and survivors, but none specifically about how HR professionals are impacted and can care for themselves. Later in the interview, she reiterated,

Like everybody else I probably struggle to stay on top of things, but, you know,

the HR periodicals, and subscribe to a few blogs, and, uh, and things. And

[there's] a lot about what companies are going through, how HR can make

themselves more valuable in this time frame, how HR can help the people being

laid off. [There's] Not a lot about how to take care of yourself as an HR person. I

don't think I found anything. Um, you know, so that's, I think that's a gap.

After the downsizing activities had concluded, observing misbehavior by people in the organization (including the members of her own HR department) and recognizing her own lingering distress, Participant 3 said she searched for a model or tool (such as Elizabeth Kübler-Ross's emotional grief cycle) to help her better understand what she was observing and more effectively respond to others' behavior, which she thought may be the result of their grieving process. While Participant 3 was looking for a way to comprehend others' behavior, she was also trying to make sense of what she herself was thinking and feeling. She volunteered that she was "struggling" and was visibly distressed (e.g., tearful) at times during both interviews.

Participant 3 speculated the division's current state of what seemed like stasis might creating a feeling of being in limbo such that she and others are metaphorically

holding their breath, not knowing what to expect next or when. There was feeling of helplessness, as well as of frustration and apprehension. All of which, P3 believed, was contributing to the bad behavior by staff and to her own malaise.

You just expect to feel bad when you're going through this [tearful]. But for how long, you know, so that time period thing? Um, you know, eight months later, how come I'm still struggling with it? Um, and I think part of it is, uh, for me, I tend not to recognize when I'm stressed. So I think that's the part I've come to, uh, realize. Um, and that was the part that actually, in talking to some of my colleagues last week, that I realized how many of us are in that boat, where we worry so much about the teams and everybody else that we're not looking at ourselves [still tearful]. And so, um, I sort of reached out a little bit more in terms of working with a coach, um, you know, going to see a therapist again, um, talking to my colleagues more about what they're feeling, you know. Even this exercise [referring to the interview] is sort of a venting kind of thing. Um, yeah, and maybe it's just delayed grieving for all that. But maybe it's just everything else; it's worrying about all those groups, you know. Yeah, um, and how they're doing. Um, it will be interesting to see what, what we all do as we come out of this, you know, as the economy gets better. I know, I, um, talking to some of my colleagues, you know, our people, you know we talked about whether our organizations have responded well, whether we can continue to work for those organizations. And there is certainly the dynamic of, you know, if you haven't lost your job, but you don't agree with the way your organization has handled it, you know, you're going to take the first opportunity to look for another job.

Furthermore, Participant 3 perceived that the members of her HR team shouldered more of the responsibility for and resulting stress from implementing the division's downsizing. While a single manager, for example, may have had to meet with one or two staff, each HR professional was involved in multiple notification meetings. And, if the manager became immobilized and was unable to do his or her part in the termination meeting, the HR professional was expected to pick up the slack for the manager.

In hindsight, Participant 3 was having a difficult time reconciling herself, personally and professionally, with her own participation in the company's recent downsizing. She was questioning what she might have done differently to lessen the impact of the downsizing on others: "You always look at could you have been more careful." She reproached herself and her HR team for their past hiring decisions and for not having more foresight. Because most of the staff recently hired to support the division's introduction of a new product line lost their jobs in the downsizing, Participant 3 perceived her department's hiring of the newest staff as an error in judgment.

At one point in her second interview, in contradiction to all the many financial reasons she offered for the workforce reductions in her first interview, Participant 3 commented,

We've always been a profitable organization and money has always been important, but it's sort of not been the driving thing. You know, and the worst part is, you know, we're still making a profit. I mean it's half of what we used to do, but it's not like we're destitute, you know. Um, and I think there is probably some resentment around that. I know there was on my part, um, early on when some of the decisions to like layoff people. But, you know, but we can still make payroll,

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you know. Yeah so, you know, I would tend to go a lot longer without doing a layoff, but, um.

Adding to Participant 3's emotional struggle was the fact the division's workforce reductions resulted in her trying to do the work of two senior managers successfully, something which she has found demanding physically, mentally and emotionally, and not likely to be sustainable long-term. Two other members of the division's management team were doing the work of two people post downsizing, as well, as were other division staff. Some staff had been doing the work of two people since 2007 when the hiring freeze was implemented. As Participant 3 said, "So you wonder the toll that takes, um."

Participant 4. Similar to Participant 3, Participant 4 was still struggling with the impact of the downsizing when I met with her about 10 months after, though for slightly different reasons. While she did not disagree with the need for the company to downsize its staff, she had found the manner in which the company's management team behaved abhorrent, with respect to the staff and toward her. Participant 4 was treated in a manner such that she felt minimized, used and discarded, treated not as a valuable person but as an instrument or object.

To illustrate, Participant 4 said there was no allowance made or appreciation shown on the part of the company's executives for her need to regain her sense of emotional and mental equilibrium after the first round of downsizing in October 2008. Instead, Participant 4 felt as though she was immediately expected to maintain a pace and a demeanor that reflected she was back to work as usual. This was unlike her previous downsizing experiences with other employers.

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There was loads of paperwork on my desk and I was still trying to get all that

done so that I could move on to my projects, and he, literally, was like on my

case, quite loudly, immediately, about why my budget numbers weren't in. And I

was, just, was like, "You've got to be kidding me." We just laid-off these people.

I was working late. I got these mounds of paperwork on my desk just to get done

so that I can move on. And, you know, you want budget numbers on our old

budget, and I know we don't have that kind of money in the organization

anymore; so it just was a ridiculous exercise…. Why did I even come in today?

Why didn't I stay home and take care of myself?

What Participant 4 shared about the demands made by her manager after the

downsizing suggested that he—and perhaps the executives in general—was either

unaware of or indifferent to the personal impact of the downsizing on Participant 4.

Moreover, Participant 4 perceived her coworkers were unaware of, or perhaps

disinterested in, the impact her downsizing responsibilities had on her. All of which

contributed to Participant 4 feeling isolated. Indeed, feelings of pain and isolation were

articulated by both Participants 3 and 4.

Her most recent downsizing experience appeared to be still present and

emotionally charged for Participant 4. For example, her tone of voice and affect were

angry and/or derisive at various times during the interview. She lamented toward the end

of her interview,

And I don't understand why someone doesn't see this as a niche or just a money

making opportunity. I would easily pay twenty bucks to have gotten some

counseling and been able to vent with somebody who would have been in my

shoes and understood what I was going through.

HR professionals are also vulnerable to involuntary termination. Finally, but

not insignificantly, HR managers can be the victims of employment terminations

resulting from downsizing, while also being its implementers. Knowing this can increase

the stress already present for HR managers. Participants 1 and 4 communicated a sense of

their own expendability, though Participant 1 was less direct in conceding this. In

describing her downsizing experience, Participant 1 dismissed the anxiety expressed by a

staff member, whose manager was terminated, as baseless only to follow this disclosure

with another about her own relief at discovering she had an office next to her manager's

on his floor plan for the company's anticipated move! Participant 4, on the other hand,

had been terminated as a result of downsizing more than once previously in her career

and was acutely aware of the tenuousness of her position. She was, in fact, terminated in

the second round of downsizing initiated by her employer. Participant 4's last statement

at the end of the interview suggested an attempt to reappraise her downsizing experience

in a positive light: "So at least it's, it's an interesting challenge."

Implications for HR Professionals, and Others

One business journalist (Smith, 2009) likened the job of HR professionals in this

recession to that of traders on the floor of the New York Stock Exchange:

HR is usually understaffed and may be seen as unimportant. But the current crisis

has put a new emotional load on this department, much like that on the floor

traders at the New York Stock Exchange.

In recent days, we have seen men with heads in their hands, tears in the

eyes, and reports of some traders literally collapsing from fatigue amid the hectic

trading. We are getting reports from HR departments that their employees are

suffering from fatigue, depression…. (paras 5 & 6).

The stressful reality. Indeed, the HR managers in this study carried the tension

of knowing they were ultimately responsible for the implementation of their companies'

downsizing initiatives (a difficult undertaking under any circumstance) in one of the

worst economic climates in decades. Moreover, their downsizing-related responsibilities

extended over a period of months, or more. This included intensive preparation prior and

activities after, in addition to the actual termination meetings with affected staff. The

termination meetings themselves were not a single event, but instead consisted of

multiple one-on-one meetings and, in one instance, a group notification meeting.

Situations involving one-on-one termination meetings meant HR professionals went from

one notification meeting to another to another until everyone who was being involuntarily

terminated had been told. If a staff member's manager became speechless and failed to

carry out his or her part of the process, or if the manager's communications began to

stray from the purpose of the meeting, the HR professional was expected to step in.

Furthermore, for all four of the HR managers, the termination meetings occurred in more

than one round of downsizing activities.

Contributing to their tension was the HR managers' knowledge that they, too, can

be the victims of employment terminations resulting from downsizing, while also being

its implementers. HR professionals are acutely aware that "fewer employees mean fewer

HR staff will be needed" (Smith, 2009, para 7). Witness the extent to which the staffing,

payroll, benefits, and other human resource functions have been and continue to be outsourced (Uchitelle, 2007).

Add to this the fact that after a downsizing all staff who survived the downsizing, including members of the HR department, can find themselves with significantly increased workloads, as was the case for Participant 3. Typically this happens without any acknowledgement, much less additional remuneration, for the increased job demands. Gratitude for one's continued employment will go only so far when a person is exhausted physically, mentally and emotionally. As Participant 1 observed, "Having a job doesn't [necessarily] equate to job satisfaction." Thus, "in a declining economy with fewer and fewer viable job alternatives, the employee no longer has the leverage he or she once did" (Jones, 2009, p. 30).

Accordingly, had any of these HR managers voluntarily submitted their resignations—whether to avoid the pain of having any involvement in the downsizing or in protest—they likely would not have been eligible for their state's unemployment benefits (and certainly not for employer-paid severance benefits). Given the poor job market, unless they had the financial means to be without employment indefinitely, they would have put themselves and their families in a potentially precarious position by doing so—and, in all probability, their resignations would have had absolutely no affect on their corporations' decisions to downsize. More importantly perhaps for the four HR managers interviewed, such action would have been inimical to their own beliefs about what it means to be an HR professional.

A need for *both / and* approaches. Human Resource managers who are members of the professional association SHRM ascribe to a business code of ethics. A core

principle of SHRM's Code of Ethics concerns the professional responsibility of HR

practitioners. Among its guidelines are two that are especially germane to downsizing:

"Advocate for the appropriate use and appreciation of human beings as employees.

Advocate openly and within the established forums for debate in order to influence

decision-making and results" (Society for Human Resource Management, 2007).

So, how do these professional codes of ethics square with the traumatic business

of downsizing? What alternatives exist when a company is on the verge of financial

collapse, unable to pay its rent or its vendors, as Participant 4 experienced, when it is not

simply a matter of corporate executives wanting to drive up the stock price (and the value

of their own stock options and bonuses)? Furthermore, doesn't the act of trying to

increase shareholder value ultimately promote the continued viability of the corporation

and its ability, therefore, to provide jobs for the many (despite its potential harm of the

few)? In the end, "the first rule of business is to stay in business," Participant 2 reminded

me. There are many who are affected by the business decisions corporate executives

make: Shareholders as well as staff, entire communities as well as individual members of

the community. To reduce downsizing to either/or choices would seem to ignore the

complexity of today's global marketplace and the severity of the recession from which

we are (hopefully) emerging.

But what of our common, personal moral code of behavior? (Could we even agree

a common moral code exists or should exist?) Is there not something grievously and

fundamentally wrong when one in seven human beings in the United States lives below

the poverty level (Lee & Semuels, 2010) while the salaries and perquisites paid to

corporate executives are 262 to 900 times that of the average worker (Judt, 2010, p. 14;

Newman & Jacobs, 2010, p. 119)? Shouldn't there be some attempt to distribute harm equally among all those affected before invoking a claim of justifiable harm to a few in order to protect the many (Alexander, 2000)? To whom does accountability for downsizing and its ill effects belong?

It is naive to think HR managers have the organizational clout necessary to prevent downsizing. It is even more naïve to allege that "without them, the decisions to lay off millions of American workers by senior executives and boards of directors could never have been accomplished so quickly or easily" (Downs, 1995, p. 103), as Alan Downs contended. Maybe it is untenable, as well, to expect HR professionals to enact senior management's decisions while also trying to be an advocate for staff (Downs, 1995). However, by providing oversight to try to ensure compliance with the spirit as well as the letter of employee labor laws and regulations, this is exactly what the HR professionals in this study attempted to do. Once the decisions to reduce staff had been made, the goal of these four HR managers was "to make the [very] best of it" (Participant 2), and hence the profound internal conflict between their professional role requirements and their personal preferences and/or values. Who, after all, cannot see him or herself in the other? As Participant 1 said:

> Although I feel that my role is working for the company, a part of doing that is helping people exit with as, as much knowledge, dignity, and, um, good feeling about the company as we can possibly put together. Um, it could be my last chance for them to have a good impression of the company. In addition to that, they are real people with real concerns and real lives, and they're important.

Thus, the HR professionals in this study had to split themselves, separating their professional responsibilities from their personal preferences and values. Not one of these managers wanted or enjoyed the experience of telling coworkers they were being displaced. Participant 3 said her joy came from hiring, not firing. Moreover, they knew exactly if and where the inequities within their own organizations resided; for example, what the executives in their organizations might be sacrificing versus what the rank-and-file staff were losing. Participant 3's frustration about the company driver being protected by the corporate president was illustrative. Yet, as already shown, they did come to accept the business necessity for the downsizing and adopted a mindset that, given the unpleasant necessity, at least they would do the very best job implementing it as they possibly could; e.g., working with management to provide terminated staff with a financial bridge to their next job opportunity when possible, treating staff with respect and dignity, and more. Unlike the contemporary film, *Up in the Air* (Bell, Dubiecki, Estabrook & Reitman, 2009), they did not shunt the emotionally difficult task of telling staff they were being terminated to some third-party contractor like the fictional character Ryan Bingham—neither did they resort to voice or email.

There is a commonly-held perception that individuals who choose a profession in human resources do so because they care about others and want to be of service. They are often perceived as the organizational caretakers within their corporations (Marquez, 2009, para 5). Yet, for the HR manager involved in implementing downsizing, there is a component of his or her professional role and responsibilities that requires the HR manager distance him or herself from others—e.g., in the interest of trying to be fair and objective in the treatment of staff and to protect one's employer legally—and another that

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requires intense personal engagement and empathy—e.g., when meeting face-to-face with staff and in deciding (with management) what severance benefits, if any, will be offered.

Clair and Dufresne (2004) spoke at length about the distancing behaviors—emotional, physical and cognitive—employed by those who plan for and enact downsizing in order "to deal with others' emotional pain and suffering" (p. 1609) and to manage the conflict inherent in their own role and responsibilities. While the results of their study focused on distancing behaviors and their effects on the downsizing agents, on those who are displaced by downsizing and on organizations as a whole, the four HR participants in this study did not appear to remain distant from others in their organization, including those who were involuntarily terminated. One small but telling example was the managers' desire to allow displaced staff to remain onsite for some period of time after receiving the news of their termination—whether it was to transition work to staff remaining, to use the office space as a place from which to conduct their job search, to have some time to adjust to their impending transition out of the organization, or to say good-bye to their now-former co-workers.

It could be argued that an inherent part of HR professionals' role and responsibilities, generally, is "to act as an honest broke broker, balancing the needs of all parties" (Tehrani, 2011a, p. 52), therefore requiring both / and rather than either / or approaches. The demands placed on them in the current economic environment have highlighted this need. There are no facile solutions. HR professionals are regularly confronted "with a wide range of moral, ethical and personal dilemmas" (Tehrani, 2011a, p. 52), downsizing being among them.

An opportunity for the HR professional. Business practices over the past two decades suggest corporations perceive themselves as solely economic entities rather than as social ones, committed to making money at the expense of enhancing "human well-being in economically efficient ways" (Hamel, 2010). Thus the dilemma that is downsizing has become an accepted business strategy woven into the fabric of American corporate culture (Uchitelle, 2007). Perhaps this is due, at least in part, to the fact that the majority of S&P 500 CEO's have backgrounds in either operations (31%), finance (21%), or marketing (12%; Spencer Stuart. 2008)—not human resources (S. Kirnon, personal communication, October 1, 2010).

When seeking active or retired CEO's as directors of their boards, a meager 3% of 92 S&P 500 companies surveyed expressed interest in candidates with human resource expertise; financial expertise (49%) topped their "wish list for new director backgrounds" (Spencer Stuart, 2010, p. 15). Clearly, whatever the influences, the dilemma that is downsizing extends beyond the governance of any one corporation. We are confronted with public policy issues that would seem to demand a collective change of will and an unrelenting commitment to holding our political representatives accountable for representing the interests of the struggling majority, as well as those of the wealthy minority.

Of immediate relevance to this study are the professional and personal implications for HR managers. Among the challenges and opportunities are how HR professionals work to increase their perceived value and influence in corporations. For example, while many HR managers have a role in the planning and implementation of their corporations' strategic initiatives, such as downsizing, all too often they are not full

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partners in the formulation of their corporations' strategic objectives. In a 2007 survey of "senior HR leaders in 106 large U.S. corporations" (Lawler & Boudreau, 2009, p. 15), disclosed that, in fact, slightly more than 32% had a role and responsibilities as a full strategic partner (Lawler & Boudreau, 2009, p. 15). So, not only is there a dearth of HR-savvy professionals applying influence at the board level, presumably because they may be perceived as lacking in business literacy generally, HR managers may not be fully represented on their corporations' senior management teams either (Krell, 2010). There is an opportunity, therefore, for HR professionals to move beyond their traditional role as the owners of administrative services and the overseers of corporate and regulatory compliance requirements (Lawler & Boudreau, 2009) to one in which they are the managers of their corporations' investment in staff to achieve organizational goals and objectives (Kaplan & Porter, 2009).

Sensemaking and self-care. Yet another challenge and opportunity relates to how HR managers enact and make sense of their experiences, as well as how they care for themselves before, during and after such a difficult undertaking as downsizing. Any challenging event that threatens or disrupts our sense of wellbeing—namely, that creates stress (Baron, Byrne & Branscombe, 2006; Oltmanns & Emery, 1998)—can exact a significant toll on a person, physically and psychologically, and it can cost an employer in terms of decreased productivity, increased absenteeism and rising healthcare costs (Smith, 2009). Additionally, many organizations look to their HR professionals to take the lead in facilitating the organization's recovery after downsizing, trying to rebuild a sense of team, trust, and re-engagement. HR managers can only be successful if they have had the time and opportunity to recover and re-engage themselves. This makes it

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essential that corporate organizations acknowledge the psychological and physiological

impact downsizing can have on its HR implementers and make the necessary resources

available to them so they can successfully enact their responsibilities and maintain their

own well-being.

To illustrate, mental health conditions such as burnout, compassion fatigue (CF),

secondary traumatic stress disorder (STSD), and vicarious traumatization (VT) are

occupation-related hazards for those in helping professions who are overwhelmed by

their exposure to others' trauma. Research has sought to better understand each, while

also exploring the relationship among the four—together with the circumstances that are

conducive for creating their deleterious effects and strategies for preventing their

negative impacts (Devilly, Wright &Varker, 2009; Frandsen, 2010; Maslach & Leiter,

1997; Ruysschaert, 2009; Sprang, Clark & Whitt-Woosley, 2007; Tehrani, 2011b). In a

study by Sprang et al. (2007), for example, the authors concluded their study by

recommending that education be provided about the risks associated with exposure to

others' suffering, as well as about protective measures that may be utilized as a means to

safeguard caregiving professionals against the occupation-related hazards of such

exposure (p. 276). While their study consisted of over 1,100 licensed or certified health

providers (Sprang et al., 2007, p. 263), it seems intuitively reasonable to assume their

research has relevance for corporate HR professionals who are exhausted and

overwhelmed by the physical and emotional strains their role and responsibilities for

overseeing the implementation of corporate downsizing initiatives have engendered. An

opportunity exists, therefore, to proactively provide specialized education and training to

HR professionals prior to their downsizing experiences. Such training "would not only be

humane" (Sprang et al., 2007, p. 276), it would likely be cost-effective in preventing "staff turnover, lost time at work, and protective disengagement" (Sprang et al., 2007, p. 276).

Furthermore, it is worth noting, particularly in view of the key constituents that emerged in this study—especially anticipation of the downsizing's being difficult, the desire for control of the process, and confidence due to prior experience—neuroscience research suggests the predictability of a stressor and a person's perceived control over it can have a more positive impact on how the stressor is experienced. If an HR manager is able to anticipate a stressful event because of its predictability, she or he can employ cognitive strategies before the stressful event occurs that may minimize its potentially negative effects. In fact, research shows the perception of control over a stressor itself can lessen an HR manager's experience of it as stressful (Gross & Thompson, 2009). For instance, similar to the four participants in this study, the participants in Clair and Dufresne's (2004) study, which included staff and managers in addition to HR professionals, also relied on their previous downsizing experiences to "engage in anticipatory coping" (Lazarus & Folkman, 1984, as cited in Clair and Dufresne, 2004, p. 1617). However, Clair and Dufresne also suggest the trauma of being engaged in repeated downsizing can lead to emotional numbing—an indication of possible burnout (Sprang et al., 2007, p. 260).

Consciously or unconsciously, a number of coping strategies were employed by the four HR managers in this study to aid in their recovery from the downsizing, as well as in the management of their anxiety prior and during the experience. Cognitive change appeared to be a strategy all the participants employed in anticipating the downsizing,

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enabling them to manage how they thought about it and their capability for meeting the

demands they believed it would pose (Gross & Thomson, 2009). Namely, they reassured

themselves with the knowledge they had been successful implementing downsizing

strategies previously. Additionally, post downsizing, Participant 1, and to a more limited

extent Participant 4, used reappraisal as a means to reveal the proverbial silver lining

(Gross & Thompson, 2009; Lowenstein, 2009). Participant 2 used exercise, meditation

and rest as means "to decrease the physiological and experiential aspects" (Gross &

Thompson, 2009, p. 15) of his emotionally challenging downsizing experience.

Participant 3 was taking advantage of the services provided by a professional counselor

and by an executive coach. Participant 4 said she garnered some support by discussing

her experience with her "HR friends out there."

A significant part of the challenge associated with safeguarding the well-being of

HR professionals, however, rests with them. As one noted psychologist, researcher and

author observed (Trehani, 2011a):

> They appear to be resistant to taking the advice they offer to the workforce. For
>
> example, they need to make sure they establish a positive work/life balance, eat
>
> healthy food, take exercise and enjoy a good social life…. HRPs [HR
>
> professionals] have developed a culture within their profession which overvalues
>
> stoicism. Whilst there are numerous papers and articles on the health and
>
> wellbeing of most professions, very little has been written or discussed within the
>
> HR community. It would appear that HRPs are so busy administering stress audits
>
> and introducing healthy living campaigns that they forget to include themselves
>
> (p. 60).

Status quo bias as a possible coping mechanism. Additionally, it is conceivable

these four HR managers possessed an inherent bias in favor of the status quo. Based on

the extent to which they perceived their welfare (e.g., social, psychological, economic) to

be dependent upon the corporations which employed them, this bias could have arisen

from their need to reduce their stress and to maintain their sense of control (Kay et al.,

2009). This status quo bias is, itself, a self-protective coping mechanism; it arises out of

system justification theory (Kay et al., 2009).

> According to system justification theory (Jost & Banaji, 1994), people are
>
> motivated to defend and legitimize the systems in which they operate…. Such a
>
> tendency … is an adaptive natural psychological response instigated to reduce
>
> sources of threat and anxiety (Jost & Hunyady, 2002). Acknowledging that one is
>
> forced to conform to the rules, norms, and conventions of a system that is
>
> illegitimate, unfair and undesirable is likely to provoke considerable anxiety and
>
> threat (Kay et al., 2008; Laurin, Kay, & Moscovitch, 2008); thus, when little can
>
> be done to change this reality, people will be likely to justify their system in an
>
> attempt to view it in a more legitimate, fair, and desirable light (Kay et al., 2009,
>
> p. 422).

As was pointed out in Chapter II, the academic research related to the experiences

of HR professionals involved in downsizing is limited, and may be contrary to what is

discovered generally for other types of staff. For example, Noer's (1993) research, which

is now 17 years old, was conducted in a large multi-national firm (p. 53), and was

designed to illustrate the pervasiveness of "layoff survivor sickness [that occurs for]

employees who remain in organizational systems following involuntary employee

reductions" (p. 13). Noer's (1993) study included 115 employees at various organizational levels (pp. 218-219), in addition to 13 Human Resource professionals (p. 220). What is interesting about his study is Noer's finding that HR professionals "reported more positive morale and less insecurity, frustration and anger" (Noer, 1993, p. 224 than the general staff population, though he also said this difference "tended to be more in degree than substance" (Noer, 1993, pp. 232-233). The responses of HR professionals were more similar to what Noer discovered in group interviews with managers and executives (Noer, 1993, p. 231). Also, like Participant 1 in this study, Noer's HR professionals "tended to move from talking about themselves to employees in general or to their own staffs" (Noer, 1993, p. 224). In seeking to explain the reason for the differences between HR professionals and the general staff, Noer (1993) speculated the HR professionals' more positive perceptions might be attributed to the fact they had more control in the process by virtue of knowing in advance about the downsizing and having involvement in downsizing-related decisions. He also noted:

> The human resource professionals spent a great deal of interview time explaining the economic needs for layoffs and justifying their individual roles. This was unique to the human resource interviews…

> Since human resource professionals … do, in a sense, live both in the world of the manager and that of the nonmanager [sic], they often tend to be conflicted and concerned over their role. This may be the reason for the interview time spent in role discussion and the emergence of rationale that says, "It's a tough job, but someone's got to do it" (Noer, 1993, p. 232).

Potential best practices for downsizing implementation. Finally, though not

the primary purpose of this research study, the interviews exposed some best practices.

These included voluntary separation programs, across the board salary reductions with

the highest percentage reduction applying to the CEO, the use of temporary contract labor

to manage seasonal fluctuations in workload, instituting wage freezes for exempt staff,

implementing a hiring freeze and furloughs, reducing the workforce through attrition,

suspending employer matching contributions to the company 401(k) plan, eliminating all

non-essential activities and their costs, and others. These best practices suggest "creative

and profitable alternatives" (Cascio, 2002, book sub-title) other HR managers may

attempt to employ to limit, if not forestall, involuntary workforce reductions.

Recommendations for Future Research

I hope this phenomenologically-based study may serve as the basis for further

research related to the lived experiences of HR professionals responsible for the

implementation of their employers' downsizing initiatives. This particular study drew

upon the experiences of seasoned HR managers employed in the corporate arena.

Interviewing less experienced corporate HR professionals, and/or those without the title

and responsibilities of manager, may yield different results—so too, perhaps, for HR

professionals in the non-profit or public sectors.

Participant 4 remarked that the poor job market represented "a huge difference"

over her previous downsizing experiences. The lived experiences of HR professionals

might have revealed a different structure of those experiences had the downsizing

occurred in a different economic environment; namely, one in which there appeared to be

a greater probability dislocated staff could more readily secure other, comparable

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employment. One could inquire as Participant 3 did whether the emotional challenge these HR managers experienced lay chiefly in "the act of being an HR person in this kind of tough economy."

As was evident in the literature review (Chapter II) and articulated explicitly by Participant 3, an important opportunity exists to conduct research exploring what HR professionals can to do to foster self-care. A viable approach may be to investigate what physiologically and cognitively effective behaviors HR professionals have engaged in so as to minimize downsizing's deleterious effects on themselves and others. Similar to the research conducted by Campbell (1997), one might conduct follow-up research with the four HR professionals in this study two or three years post-downsizing to inquire whether and/or how their previous downsizing experiences continue to impact them—positively and/or negatively; physiologically, psychologically and emotionally—and whether their experiences have resulted in any changes in their attitudes and/or behaviors, including whether they are still employed in the HR arena.

Additionally, one might conduct a study designed to investigate a question posed by Participant 3 about the personality profiles of HR professionals. Namely,

> You know, you think about the kind of personalities that are driven to certain, um, fields, and I think HR does tend to attract a lot of people in the helping professions, you know. Um, is that a common thing in other helping professions, too, where people don't take care of themselves; they are going to take care of others, um? Are you more concerned about the other person than yourself, and so is that part of this, um, emotional stress that HR people are feeling more than anybody else, um?

Continued research into downsizing best practices could provide practical support

to HR professionals confronted with the difficult task of determining "the best way to

handle a layoff" (Participant 3) when staff reductions have been deemed unavoidable. Or,

it might suggest strategies for preventing workforce reductions otherwise. At a minimum,

such research may serve to reassure HR professionals they are doing the best possible to

allow terminated staff to exit the company with dignity and honor and to help the staff

and managers who remain in their corporations' employ with the process of re-

engagement.

Finally, research about what strategies HR professionals have successfully

employed to increase their strategic influence within corporations would be especially

beneficial for all HR managers and for the many whom that influence will ultimately

benefit, as would research specifically aimed at determining the extent to which HR

managers involved in the implementation of downsizing may or may not have an

instinctive bias that favors maintaining the corporate status quo regardless of other

possible alternatives (Kay et al., 2009).

Conclusion

One author characterized the job of HR professionals as being at the "epicenter of

a recession's bad news" (McGregor, 2009, para 2). HR professionals are typically those

who ensure termination paperwork is properly prepared and ready when management

needs it, who are reliably present at emotionally-charged termination meetings, and who

respond to angry telephone calls from those who have lost their jobs and those who

remain in the company's employ (McGregor, 2009). They are the ones "linked with

[downsizing] in the minds of employees" (McGregor, 2009, para 2), probably the last people terminated staff members see on their way out the door (McGregor, 2009, para 4).

The purpose of this study was to explore the lived experiences of four corporate HR managers who had been involved in the implementation of their companies' recent downsizing initiatives, specifically 2007-2009. Though the downsizing particulars differed, the interview data revealed an essential structure for the phenomenon of downsizing for all four. The impact and the implications for HR managers, professionally and personally, are highly relevant given the prevalence of downsizing as a corporate strategy, the implementation for which HR managers often have primary responsibility. Furthermore, the impacts and the implications extend well beyond HR professionals: To their employers; to everyone who survives corporate downsizing; to those who serve in a consultative capacity to organizations and their leadership; and to all of us who are concerned about civil society and a loss of social cohesion, about fairness and social justice and "growing inequalities of wealth and opportunity" (Judt, 2010, p. 8).

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APPENDIX A

Overview of Relevant Employment Law

The Worker Retraining and Adjustment Act of 1988 (WARN) generally requires employers to give their staff a minimum 60 days' advance warning of a covered mass layoff or a plant closure if the company employs one hundred or more staff. (A possible alternative to the warning is to provide staff a minimum of 60 days' salary continuation at termination.) A mass layoff under WARN is defined as affecting a specific percentage of an employer's workforce. Regardless, if a warning is required, all employees affected by the mass layoff or plant closure must be notified, including part-time staff even though they are not included in the calculation for determining if WARN applies; viz., in determining whether the employer employs 100 or more staff. In the State of Colorado, displaced former staff may be eligible for training programs provided by the State Board for Community Colleges and Occupational Education. WARN does not require that an employer provide severance pay for displaced staff, however (Guerin & DelPo, 2009, Mathis & Jackson, 2003).

ERISA, the Employee Retirement Income and Security Act of 1974, establishes standards for the creation and maintenance of employee benefits plans. If an employer chooses to offer severance pay and/or benefits—such as extended healthcare coverage, outplacement services, accelerated vesting of non-qualified stock options, and others (Hewitt Associates LLC., 2009)—it may be advisable to offer an ERISA-compliant severance plan, versus providing severance pay and/or benefits on an ad-hoc basis (Society for Human Resource Management, 2009). Such a plan may be offered in connection with both a voluntary separation program (discussed previously in Chapter I)

and an involuntary termination due to layoff or downsizing. In order for such a plan to be considered ERISA qualified, it must meet certain specified criteria. The advantages to an employer for creating an ERISA-compliant severance plan are many. By treating all displaced workers similarly, an employer can reduce its potential legal risk. Furthermore, a severance plan can have a positive impact on the rate of state unemployment taxes (known as SUTA, State Unemployment Tax Authority) paid by an employer if it means terminated staff will not need to avail themselves of unemployment insurance benefits (Society for Human Resource Management, 2009; Uchitelle, 2006). In addition, the expenses associated with providing severance pay and benefits can be deducted as a one-time extraordinary expense on the corporation's income statement without negatively impacting the company's adjusted earnings per share (F. Failing, personal communication, April 27, 2010).

Because of the severity of the 2007-2009 economic recession, staff terminated as a result of an employer's downsizing may have been eligible for extended unemployment benefits, known as emergency unemployment compensation (EUC) benefits, which the federal government granted to allow them to claim benefits for an increased period of time period than is customary. This benefit was coordinated through the jobless worker's state unemployment insurance program. The last day an EUC claim could be filed was December 23, 2009, and the last week EUC benefits were paid was for the week ending May 29, 2010 (Colorado Department of Labor and Employment, n.d.-a).

Additionally, under the Consolidated Omnibus Budget Reconciliation Act (COBRA), employers which provide a group health insurance plan and have 20 or more staff members are required to offer the continuation of the company-sponsored group

health insurance benefits to certain former staff, their spouses and dependents under

specified circumstances (known as a *qualifying event*). The cost for maintaining one's

health insurance benefits under COBRA is very expensive, but typically less expensive

than buying individual healthcare coverage (Steingold, 2009, pp. 90-92, 216-217).

The passage of the American Recovery and Reinvestment Act of 2009 (ARRA)

resulted in the federal government subsidizing a significant percentage of the COBRA

premium costs (approximately two-thirds) for certain former staff, their spouses and

dependents, for up to nine months, which is a substantial benefit for those who have lost

their jobs due to downsizing (Steingold, 2009). ARRA was applicable for a limited time

only, however; specifically, for those who were involuntarily terminated between

September 1, 2008 through December 31, 2009 and who met the eligibility requirements

(Guerin & DelPo, 2009).

APPENDIX B

Communication to Potential Study Participants Via Email and/or Letter

Dear HR Manager:

Have you ever had to develop or execute a corporate downsizing strategy? Whether you led the effort or helped implement it, you could help advance our profession by participating in a study that would take just a couple hours of your time.

I am a doctoral student in Pepperdine University's Graduate School of Education and Psychology *and* I am an HR Senior Manager employed by a Fortune 500 corporation. Pursuing my doctorate degree in organization development, I am completing a dissertation research study **by exploring the experiences of HR managers who recently have been involved in the implementation of their corporate employers' downsizing efforts.** I expect my research findings will advance the HR profession and increase the knowledge of HR professionals like you. I chose this topic both because of the prevalence of downsizing phenomenon and because of my own experience as an HR professional involved in my employer's relatively recent downsizing and restructuring initiative.

Would you be willing to participate in my research study? Your participation would require that you be interviewed, face-to-face, for approximately 60-90 minutes, with the possibility of a follow-up interview, sometime within the next two months. Your name and the name of your employer will be kept **strictly confidential**.

If you meet the qualification requirements (listed below) and are interested in participating, please notify me at this email address within one week of your having

received this message – [Email Address]. Kindly include a telephone number where you can be reached weekdays, so we can have an introductory conversation. If at the end of our introductory conversation we agree that you meet the qualification requirements and are still interested in participating, I will send you a copy of an informed consent form detailing your rights as a study participant and the next steps will be outlined.

To be eligible for participation, you must be a Human Resource professional who meets the following minimum qualification requirements:

- Works in the United States, and speaks, reads and understands <u>English;</u>
- Has a title that indicates a <u>level of manager or higher</u> (e.g., Director, Vice President, etc.); and
- Has been actively involved in the implementation of your <u>corporate</u> <u>organizations'</u> <u>downsizing</u> initiatives sometime during <u>2007-2009</u>.

If you have questions, you may email me at [Email Address]. If you have further questions about this research study, you also may contact my Dissertation Chairperson, Dr. Ed Kur, at [Email Address].

Thank you for your consideration of my request. And, please feel free to forward this communication to other HR managers who may be qualified and have an interest in participating. I look forward to sharing my key findings after exploring our collective experiences!

<div style="text-align:center">Appreciatively,</div>

<div style="text-align:center">Denise Fazio</div>

APPENDIX C

Consent for Research Study

I, _____, agree to participate in the research study being

conducted by Denise Fazio under the direction of Dr. Ed Kur, at Pepperdine University's

Graduate School of Education and Psychology. I understand this research study is

designed to *explore the experiences of HR managers who recently have been involved*

in the implementation of their employers' downsizing efforts. I understand, too, that

Ms. Fazio expects her research findings will advance the HR profession and increase the

knowledge of HR professionals like myself. This topic was chosen both because of the

prevalence of downsizing phenomenon and because of Ms. Fazio's own experience as an

HR professional involved in her employer's relatively recent downsizing and

restructuring initiative. I grant permission for the data gathered to be used in the process

of Ms. Fazio's completion of a doctoral degree, including a dissertation and any

publications or presentations she may produce.

I confirm that I meet the study's minimum requirements for participation. Namely, I am

a Human Resource professional who:

- works in the United States, and speaks, reads and understands English,

- has a job title of manager or higher (e.g., Director, Vice President, etc.), and

- has been actively involved as a Human Resource manager in the implementation

of my corporate employer's downsizing initiative sometime during 2007-2009.

Furthermore, I understand that:

- Research data will be gathered from one-on-one, face-to-face interviews, which will be digitally audio-recorded.

- I will be interviewed, face-to-face, for approximately 60-90 minutes, with the possibility of a follow-up interview. My interview will be audio-taped.

- The digital recording of my interview will be transcribed in its entirety. My transcribed interview will be downloaded to Ms. Fazio's home-based laptop computer via a portable electronic storage unit and maintained as Word document within an electronic folder on her laptop's C drive. She is the only person with access to this laptop computer and it is password protected. The interview data will also be preserved on a portable electronic storage unit maintained in Ms. Fazio's home office. My interview will be safeguarded on the portable storage unit for a period of not less than five years as required. The digital recording itself will be securely maintained in Ms. Fazio's home office for twelve months after her dissertation is published, and then erased. Erased files cannot be restored on the Olympus LS-10 Linear PCM Recorder, the digital recording device Ms. Fazio will use.

- I will be asked to refrain from using proper names during my audio-taped interview.

- My name and the name of my employer will not be associated with the research findings in any way. I and my employer will be given fictitious names for purposes of this study (e.g., Participant 1, Company A, etc.).

- I will be asked to supply my job title, the industry within which I work, my years of HR experience, and the year in which I was involved in implementing my corporate employer's downsizing efforts, *prior* to my interview being audio-taped.

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- Ms. Fazio will contact me to arrange a mutually agreeable time and place for us to meet for a 60-90 minute interview sometime within the next month. If necessary, I will be available at a mutually agreed upon time and place for a follow-up interview, as well.

- My participation is completely voluntary. I retain the right to withdraw from this study at any time without negative consequences or justification for my decision. Also, I have the right to have all my own data returned to me if I decide to withdraw from this study. The only possible consequence of my withdrawal is the time I will have expended.

- There are no known risks associated with this research study. Potential discomforts may include fatigue and the time required of me for interviewing. This may be managed by my taking a break during the interview and/or by scheduling a follow-up interview.

When this study is completed, I am entitled to receive a copy of the study's findings. I do not expect to be paid for my participation in this research study.

If I have questions or concerns, I may contact Denise Fazio at [Email Address]. Similarly, I may contact Dr. Ed Kur, at [Email Address]. Furthermore, if I have questions about my rights as a research participant, I may contact Dr. Doug Leigh, chairperson of the Pepperdine University Graduate and Professional Schools Institutional Review Board (GPS IRB) at [Telephone Number].

_____

Research Participant   Date

I have and explained the research study purpose and procedures in which the Research

Participant has agreed to contribute.

_____

Denise Fazio,   Date

Primary Researcher

APPENDIX D

Interview Questions Guide

The participant interviews are intended to be open-ended. Each participant will be asked to describe her/his experience in full detail, with the intent of eliciting as complete and faithful a description of her/his lived experiences as possible. Accordingly, there is one fundamental interviewing question. Ideally, any additional questions or comments from the researcher should be confined to requests for clarification or amplification. The primary interview question will be: Would you describe, in as much detail as possible, your most recent experience as a Human Resource manager having responsibility for the implementation of your company's downsizing initiative?

Questions used to clarify, or qualify, might include:

a. When did the downsizing occur? (Asked to confirm that it occurred between 2007-2009.)

b. What was your title at the time? (Asked to confirm that the study participant held the role and responsibilities of a Human Resource manager at the time s/he was involved in implementing the downsizing initiative.)

c. For what company were you employed? (Asked to confirm that the study participant was a corporate employee at the time of the downsizing being described.)

d. What was … like?

e. In what way… ?

f. Would you provide a specific example?

g. Can you give me some details about that?

h. What did (he, she, they) do about it?

APPENDIX E

Raw Data: Participant Interviews

Participant1. Researcher: We're going to begin the interview with Participant 1, and I'm going to turn on the other recorder. Okay, and so my question to you is, would you please... Actually, it's not a question so much as a request. Please tell me in as much detail as you can about your experience as an HR [Human Resource] manager responsible for implementing your company's downsizing initiative.

Participant 1: Could you please repeat that?

Researcher: Absolutely. Please tell me in as much detail as you can about your experience as an HR manager responsible for implementing your company's recent downsizing initiative.

Participant 1: *My* experience.

Researcher: *Your* experience.

Participant 1: My experience. Okay. Okay, so, my experience, uh, with our recent initiative was started in December [2008], uh, when my CEO explained to me that we would be cutting operations in, um, one of our locations and would probably be cutting operations in another, and possibly might be impacting our, uh, operations in [City Name]. Um, is this *the* question?

Researcher: So tell me as much as you can about your experience.

Participant 1: Okay. Then in January [2009], we solidified the, um, ceasing of certain operations in Europe, and I was not involved in that downsizing. Uh, although I wouldn't have minded going to Europe and, uh, personally representing our company, because I thought, um, that, that would have been a better way of presenting this. However, we did

send a very capable senior-level manager, and, um, he, um, went and, he went and, uh, eliminated staff in our office in Europe. I had made myself available for consultation with him and preparation with him; but he pretty much declined that because he is a very experienced manager. The next part of our downsizing occurred in the United States, and, um, I worked with my CEO to develop a plan to, uh, eliminate and close our office in another state. And, as a result of that, uh, we mapped out a strategy for notifying the CEO of that division, and, um, and our CEO, our local CEO, the CEO of Company A [Participant 1 laughs at now designating her employer as Company A] went to our out-of-state location and met with that CEO and explained, uh, what we were needing to do. And, um, that CEO said he would prefer to notify his employees himself. This was particularly important. There were seven employees in this office. The office would be closing, and, um, everybody at that office had been hired as a result of this CEO, uh, the out-of-state CEO's efforts. So they were all his friends, were friends of his friends, were people with whom he had worked, uh, for many years. And it was a particularly difficult thing for him to do. And it involved, uh, certain operations that we have in Europe, and it was a result of the, the, uh, economy and the changing face of emerging markets in real estate, which is our business, um, that this became necessary. And, I made myself available for counseling this individual and explained to him, um, how the process would work. He notified his people in late February that the office would cease operations as it was at the end of April.

Researcher: Can I ask one clarifying question? So is the corporate headquarters located where you are?

Participant 1: Sure. Uh-huh.

Researcher: The corporate?

Participant 1: Yes, yes, I guess you would consider it corporate headquarters. Uh, Company A owns, uh, fifty percent interest in our out-of-state location, and our principal investor, um, owns fifty percent.

Researcher: I understand, and what's the relationship with the European office?

Participant 1: Um, the European office was an affiliate.

Researcher: An affiliate. Okay, thank you.

Participant 1: So it was, um, but as it turned out. That's a really good question. That's a really good question. As it turned out, um, our CEO of Company A did emerge as a leader of, um, company worldwide.

Researcher: Okay, and it sounds to me like you were the key HR person. Okay.

Participant 1: I'm the only HR person. I'm the only HR person. Uh, we're talking about a company that, at its height, with every installation, was probably 80 people total.

Researcher: Okay.

Participant 1: So, we had, um, 25 or 28 [staff] in, located in Europe, working for the European affiliate. We had about eight working in our out-of-state office. And then our out-of-state office had one or two employees and one or two consultants working in, um, country offices in other parts of the world.

Researcher: Okay.

Participant 1: So it sounds like a huge operation. Um, but it was staffed by very few people. And the way we get our business accomplished is mainly working through third parties.

Researcher: Okay.

Participant 1: So, while we're in real estate, we don't manage real estate. We don't lease real estate. We basically, um, purchase existing investments and make various improvements, uh, reposition them, and then offer them for sale.

Researcher: Okay.

Participant 1: So our profits are coming from the sale and disposition of our assets, not necessarily from collecting rents.

Researcher: Okay, thank you.

Participant 1: Sure. It's good to know what the business is.

Researcher: Yup.

Participant 1: And so, um, our out-of-state company had only been in existence for about two years. And, uh, one might rightfully think, and the CEO of that, um, division did think, that we hadn't given it a long enough chance. And, um, be that as it may, we still, we still realized that, uh, that out-of-state company, uh, did not have enough money to generate a type of trust of continuing. We couldn't continue to have everything charged to our company. So let's, let's call it now headquarters. And so, um, the staff there was *extremely* disappointed. They were cohesive, and they are a very intelligent, motivated group. They have the most fabulous degrees, the greatest credentials from exciting companies. And, um, now we were saying, "Okay, sorry, it didn't work out." So that was the February timeframe. I should mention that in addition to those fewer-than-ten employees located out of state and located as consultants around the world, we had three employees from that company working at the office of our headquarters location.

Researcher: Okay.

Participant 1: They were not involved in the downsizing. So that's the February timeframe. Um, in March, I developed, um, I developed, let's see, I developed packets. I, I, um, created an administration packet and employee packets for each individual employee. And I set up a, uh, teleconference. Unfortunately, again, I could not visit due to, uh, due to the financial situation. Uh, but I knew all of those people except one, having been there the year before to do a meeting. And so I thought that they felt comfortable with me. And I set up a teleconference, uh, to, uh, to discuss, um, things that I thought what might be on their mind. And, in advance of that teleconference, I sent them a Q and A based on some questions I had received from them and then based on things that I thought would be really, really important to them, such as the new COBRA [Consolidated Omnibus Benefit Reconciliation Act of 1986] subsidy, um, whether or not they were interested in, um, outsourcing and transitional skills, uh, transition services. And I made sure that that document stated that it was strictly for discussion purposes and that it did not constitute any kind of legal advice or decisions or, um, information about our benefits plans. Uh, I, um, I held the meeting prior to sending out the packets, so that I could answer questions that might deal with the packets. No, I sent out the packets, so that they would have them in hand at the time that, uh, the meeting, um, the teleconference took place. Okay, you're wondering, "What was in those fabulous packets?" So the administration packet contained things like our OWBPA [Older Workers Benefit Protection Act of 1990] analysis. So, um, we definitely had, uh, an analysis; um, a, um, a boiler-plate, a boiler-plate severance agreement for people under 40 and for people over 40; and, um, a memo to my CEO confirming my understanding of why this was taking place due to the changing of the economy and the, um, uncertainty of

emerging markets, uh, coupled with the fact that there was not enough money for this company to continue, etcetera, etcetera, etcetera. And, uh, sent that to my CEO, and, of course, that was in the administration packet, and, um, a sample letter that the, uh, out-of-state CEO could distribute to his people, since he wanted to run the show. And the employee packet was, to the best of my memory (you can call me later if you want to get more information if I forgot something), in the employee packet was the letter from, um, their CEO; um, their individualized severance agreement according to their age; and, um, let's see, um, instructions on filing final business expense reports; instructions on filing for tuition reimbursements; um, instructions about what to do with their 401(k); um, an item called "Benefits Available to You on Termination"; and information about filing for unemployment insurance in their state. The over-40's, in addition, got their OWBPA letter and, uh, coupled with the, um, analysis that goes with an OWBPA letter. And I think that that's all that was in the packets.

Researcher: Okay.

Participant 1: So, during the teleconference, um, I went over each item in the packet, um, and I suggested that they sit around their table so that they could observe privately. Um, this was a very close group, and I'm sure that they just said, "Hey, what did yours say?" "Oh mine said..." "Oh yeah, same thing; oh, you're over 40," and such. They're a very close, familial-type group, so I'm sure that they shared. But, nonetheless, um, I suggested that they, um, be in a semiprivate location. They have a huge conference table and a huge conference room, and so they could easily spread out. Um, during the course of that, uh, teleconference, I did address a lot of questions. And, um, I left it open that there were certain things that, obviously, I couldn't cover in a general way that would apply to

individuals. And, in all of my communications with them, I'm always saying, "If you have further questions or want to discuss additional concerns, please contact me." This is not just about severance, but this is about anything that I send to them. So, that was the March timeframe. Um, in April, the administrative assistant for that group called me, or maybe it was the end of March—it could have been the day after the teleconference—called me and she said, "I'm collecting everybody's severance agreements, and I'll send them to you." And this is one of the reasons that I'm saying that they, pretty much, everybody knew everybody's business. Um, so I said, "Well, you know what, there's no need for that. Uh, as a matter of fact, we would prefer if people signed on the last day." And she got very upset, and she said, "That's not what you told us at the teleconference." [A train whistle can be heard in the background.] And I said, "Well, um, there's a reason for it," and I did explain the reason. The reason is that the, um, the severance agreement applies to everything up until the date of signature. It does not apply prospectively to things that might have occurred after the employee signs. So if the employee signs that agreement on, say, March 30, and doesn't leave until April 30, there could be a lot of grievances and, um, claims, um, about how they were treated in that sensitive final 30 days. So, she said, "Well, do you want me to just cross out the dates on all of them?" And I suggested that people could sign on the date that they wanted to sign. I was encouraging them to sign on the last day. And, once again, we went over that the over-40's, um, had a period of time to, uh, to rescind their signatures after they signed and that, uh, their 45 days and so forth. And I had explained that during the teleconference, as well. But, you know what? People really have trouble hearing things, um, at any point, but certainly when they're under stress, and this was a stressful situation. I think from the period that

they were notified in February from, uh, from that point until the, the teleconference, they had talked among, amongst themselves and had come up with some of their own answers instead of consulting with me. And, um, even though I called in individually to each one, "Hi, how are things going? Do you have any questions?" They seemed to enjoy getting the information from each other. And they are a very close-knit group. Okay, so that was the beginning of August timeframe.

Researcher: The beginning of April?

Participant 1: Beginning of April, sorry. Um, I mentioned earlier on about transition services. Um, this would be outplacement services. I contacted, uh, an outplacement consultant with whom I've worked several times in the past, and she said even for such a small group she would be glad to refer it to their affiliate in our out-of-state area. Uh, the CEO of the company declined on behalf of all the employees, and said these were experienced people who would not have trouble finding jobs. The only one that he was concerned about was the administrative assistant. Um, their job, mostly, from the time that they were notified, became wrapping up their business and using the office to have a place to look for a job.

Researcher: Okay.

Participant 1: Terms of the severance agreement.

Researcher: Can I back up?

Participant 1: Absolutely.

Researcher: You smiled when you just shared that piece of information with me.

Participant 1: About the administrative assistant?

Researcher: Well, the fact that the CEO declined on behalf of everyone.

Participant 1: Oh.

Researcher: So I am making an inference that may not be accurate, and the inference is that you might not have necessarily agreed with his decision. Is that fair, or am I inaccurate?

Participant 1: No, that's a fair assumption. And I actually discussed with them that outplacement, uh, services could be useful for everybody, and this was something that we would like to offer them. And, uh, I think that he, I think that he felt insulted. I sent him descriptions of various programs and, uh, which individuals I thought might qualify and be able to take advantage of, of what exists. "No, we have our own contacts, and we're going to take care of our administrative assistant." So I think he was insulted, and I think that he was running a big hurt from, um, our closing of the office.

Researcher: Uh.

Participant 1: And, in addition, I think that he was thinking a little bit that he would help his own. So that's very loyal; that's a very wonderful group of people.

Researcher: Uh-huh.

Participant 1: Um, and so, um, as April came and wound down, um, people started being less available in the office, and, um, that was the way it was intended to be. Um, so, in terms of the severance agreement…

Researcher: Yeah.

Participant 1: Um, no transition services. However, had they called, we would have been glad to offer them. Okay. Um, we offered them to pay their, the cost of their COBRA [Consolidated Omnibus Budget Reconciliation Act of 1986] continuation coverage, um, through the end of 2009. So, though their last day was April 30 of 2009, their, um, we had

them eligible for COBRA as of May 1. And, um, our company, Company A, picked up the cost of their COBRA through the end of the year. It was a little bit more complicated if they elected the COBRA subsidy. Because, in that case, we had to send them the money to pay the COBRA subsidy, and so we sent them, um, whatever their 35% was. And we grossed it up so that there would be no cost to them, and, as a matter of fact, they'd make a small profit. There was only one person; there were two people who elected that COBRA subsidy, including the administrative assistant. Uh, and, um, one person got a job immediately and was covered under new insurance immediately. So she never did take advantage of, of that, uh, that subsidy. Uh, so that was one thing that was offered. And, um, in addition, we offered, we offered three months of severance pay. Um, this might seem a lot for people who had been there a year or less, and it might have seemed a lot, um, as you do comparisons, uh, for people who had only been there for two years. However, we felt that we had a *huge* responsibility here and, and most of these people were very high-level, specialized professionals. Despite their networks, um, this is commercial real estate, and in this economy and in that location of the country, um, a difficult task was ahead for them. Um, we were going to keep one of those people from that office, uh, because we felt that he could continue to do entrees into the work that had started already. Uh, and the CEO said, "Why not pick me instead? Let that individual go and keep me." It turns out that that CEO has a contract, uh, with our company that I was unaware of, a CEO-to-CEO or CEO-to-principal, um, and so we would have had to pay him anyway. And he said, "You know what? You have to pay me anyway. You might as well have me work." And so, uh, we did. And then another one of those individuals said, "I am 61 years old. In my state, um, I qualify for COBRA at 62 that would take me

through to age 65. So I qualify for extended COBRA, um, if I'm 62 or more at the time that I separate from employment. Can you please hold me on the payroll until my birthday in May of 2010?" And so, um, we didn't hold him on *that company's* payroll; we put him on Company A's payroll at a *significantly* reduced minimal salary. Um, and, uh, in May of next year, um, he terminates and he will get, um, either his bonus or severance pay in the amount equivalent to his bonus. And, so, those two were taken out of this plan.

Researcher: Uh-huh.

Participant 1: Um, so, everybody else got three months' severance paid ratably. And, um, I think if they had asked for anything more, we would have considered, uh, doing additional things for them. But they really liked to work through their CEO, which, I think, you know, is a wonderful thing. And they did call me to ask for clarifications of, um, "Will you cover my COBRA if I have another job and I qualify for, for their insurance, but Company A's is better? Can I still keep it?"

Researcher: Ah.

Participant 1: And so, there were some individual arrangements made with that. Okay, so that takes care of two of those seven, eight people. A third one decided that he was going to go into business for himself and he would manage hotels in another country, a country where we happened to have hotels. And so, he was able to arrange an independent contractor contract with our company, and he hired one of the consultants, who was on the payroll, um, as part of his company. So that really took care of probably half of them. I said one of them immediately got a job. Um, the administrative assistant is working on a temporary long-term assignment. And, others are finding their opportunities as they can.

So, uh, it's been my past experience, in other large reductions in force [RIF's] that, um, it's not uncommon for people to come out in better situations than the situations they have. And I certainly hope it's the case for these really wonderful people.

Researcher: Would you tell me a little more about something that—I, I have an impression, and my impression, based on what you've told me, is that you were very, very willing to, um, to hear and respond to individuals' needs. Tell me something more about that.

Participant 1: Okay. Um, in previous reductions in force, I've always felt that it was, uh, my responsibility as a HR consultant to be available for individual needs. Now I'm in a very small company, and I am all of Human Resources. And, um, although I feel that my role is working for the company, a part of doing that is helping people exit with as, as much knowledge, dignity, and, um, good feeling about the company as we can possibly put together. Um, it could be my last chance for them to have a good impression of the company. In addition to that, they are real people with real concerns and real lives, and, um, they're important.

Researcher: Wow, thank you.

Participant 1: So, that was April, and that was what happened to our out-of-state group. Um, the office still exists because of rent situations, and…

Researcher: A lease, I'm assuming?

Participant 1: Yep, we have a lease, um, and they haven't been able to sublet it. And so, still coming to that office are [sic] the CEO. He spends his time, I think, reading articles about how emerging markets are re-emerging and sending them to us in, in our headquarters location. Um, the guy who is, who we put on our payroll, who has been

charged with making entrees for fundraising and, apparently, did that because ours, our Company A CEO, uh, recently went to New York City and met with a bunch of folks that this guy had lined up. So that was pretty impressive.

Researcher: Wow, yeah.

Participant 1: Um, and the consulting company that is going to manage this asset in, um, in another country, and his employee, are also working in that office. So, four out of the eight people are working in the office. The others are welcome to come to that office and make phone calls and have an extension for people to call, prospective employers to call in. They still have their email addresses and so forth, so that it looks like that they are, um, that, that they have a base of operations. And that will continue until the lease runs out. Okay, so.

Researcher: And, again, I want to go back and make sure, too, that I understood or heard something correctly. You said three of the people who technically were involved with that organization are also in the…

Participant 1: Headquarters office, location. Yes, yes, they are.

Researcher: Yes.

Participant 1: And so, what's happened to them? Um, one of them, um, is a lower level, not the very bottom-based rung, employee. And, um, at the time that we announced that we were terminating operations, um, the CEO from the, um, out-of-state location called these people and let them know what was happening. And then the CEO of Company A was also available to talk to them and explain to them what was happening. So the lower-level employee, um, continued to go about his business. Um, another one is, is their top accounting person. And so she's still very much involved in all her business and, you

know, feels bad and was involved in the payroll, getting that happening and all that. And the third one is the one who does all of the work for the company now. And, uh, he continues to do his job and, and, uh, and continues to manage people that he needs to manage.

Researcher: Okay.

Participant 1: He's a very young guy, and it was really thrust on him, and he is doing a fabulous job. This company had nothing but fabulous people. Okay, so that, that is the out-of-state company. [Three lines of interview data are deleted at Participant 1's request.] Um, and that was followed up by an email [from the CEO], that we can talk about, that said we will be restructuring one of our departments such that we no longer need a manager in that department, and will you please create a severance agreement, and, um, she could stay, um, through the end of the year, if necessary. And, uh, also, we are doing another restructuring, because this is an opportune time to do so, in one of our units, um, and one of our employees, that position will be eliminated, and those duties will be distributed to lower-level people. Uh, okay, so, um, I now have at least three different severance agreements for people from the out-of-state group, and I've got to do two separate severance agreements for, uh, for our corporate location. Our corporate location has about 45 people. And so, um, the manager of the, I guess the director of the manager who is going to be eliminated spoke to her and explained the reorganization. And, um, I had worked with him in advance, and we went over talking points. And I said I would be glad to be present. And he said, "No." He didn't want that; he is very experienced. But we went over talking points, and, um, we rehearsed a little bit. And he met with his employee, and she was pretty upset, and she wondered if this had to do with

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her performance. And, um, um, and he had not completed her performance review for 2008 because he thought that if her position got eliminated, um, his performance review would be really important. And he eventually didn't do a performance review; he just avoided doing that performance review, which was unfortunate. And I counseled him over and over again about the importance of getting it done, and it could be minimal, and so forth and so on; but he didn't do it. Her previous performance appraisal, and all of her performance appraisals, had been really good. But she was concerned that it was performance based. And I might say that she's had interaction problems, personal interaction problems, uh, with several key people who get our work done. And, um, the reason for the restructure was to give them better access to the resources that they needed without having an intermediary that didn't seem necessary. Uh, and so, she was an over-40, and the other person was an under-40. So we had one female over 40, one male under 40. And it seemed to me that, um, that this, um, this would not create, um, an ADEA [Age Discrimination in Employment Act of 1975] challenge. I should say that all through this process, I was in consultation with our outside, um, legal counsel.

Researcher: Uh-huh.

Participant 1: And I have been working closely with him, um, in an *excellent* relationship since I started this job in 2000. So it's a very valuable resource. He knows our company very well. He knows me very well. And, um, he's very easy to work with, and, um, uh, all our analyses are done together. We did another reduction in force, another large reduction in force, in 2002, and so, um.

Researcher: Same organization?

Participant 1: Uh-huh, yeah. And so it was a 25%, uh, staff reduction. And so, we had a lot of our working relationships and understandings all worked out in advance, um, just from, uh, having worked together. And so, um, the one person, the manager, um, at headquarters, her position was eliminated in, uh, early April. And on all these eliminations, uh, I tried to make it so that they would get an extra month of, of health insurance coverage. So we tried to make the terminations at the beginning of the month. It didn't work out in our out-of-state office, but it did work out in our local office. And so she terminated at the beginning of April, and, um, I had to answer numerous questions about this COBRA subsidy program. And she is a very curious individual, and one question leads to another, to another, to another, and she prefers email as her mode of, of communication. Um, she also, uh, telecommutes, telecommuted, probably three days a week. So, um, she spent her last week clearing up, and she signed her agreement, and there were no, um, no difficulties there. Um, her severance agreement was, um, similar to those in the out-of-state location, but different. Uh, she, she will receive salary continuation for six months. She is a long-term employee; she started in 2000.

Researcher: Okay.

Participant 1: And, um, the company will pay her COBRA through the end of the year. Um, and she could keep some of her contact, um, email, things like that, uh, for as long as she needed them.

Researcher: So, in other words, she will have access to her corporate account?

Participant 1: Uh-huh, yes, but only email. She wouldn't have access to anything else.

Researcher: Okay.

Participant 1: Um, and so…

Researcher: And the reason for that? I'm just curious.

Participant 1: So that these people can have a place to receive messages that looks professional.

Researcher: When they're doing their job search, for example?

Participant 1: Uh-huh, exactly.

Researcher: Okay.

Participant 1: Exactly. I suggested to her, um, her supervisor that we offer transition services to this individual, and he declined. And, despite the fact that I thought I am a pretty good salesperson. I think that these, a lot of times, I think, these are high-level people; these are capable people that don't need transition services. Okay, um, we only have two more people. One of them I haven't even talked about yet. But the other person at headquarters was expecting his job to be eliminated and had been expecting his job to be eliminated for well over a year.

Researcher: Because?

Participant 1: Um, he, he does what he does very well. Um, but he doesn't grow; and, um, his personality was such that our CEO didn't want to put him in front of, um, our external partners. Still, our external partners really enjoyed working with him. Um, but the CEO didn't feel that he could really be the face of our company, um, as he grew in his career. And so he had a job, and his manager counseled him for, oh, three or four years that he was not going to get any higher than that position. I had worked with him for, um, a better part of a year to counsel him out of the company and to the point where, uh, um, I asked him what are the types of things he could do. He's very talented in many, many

areas; and, um, he studied for and took an exam to be, uh, certified as a financial planner. And so, he was planning to leave the company, uh, a year ago, June.

Researcher: So it sounds like he recognized his own limitations?

Participant 1: He recognized he was limited at our company. I don't think he has limitations that would limit a career at another company.

Researcher: Okay.

Participant 1: Or doing a different type of work.

Researcher: Gotcha.

Participant 1: Okay. And we discussed a lot of the different career options that were available to him, and this is the one he chose. So he was planning to leave the company at the end of last June. And, unfortunately, he decided to get divorced instead. And so he felt that he couldn't leave the company, etcetera, etcetera, etcetera. And so when he was told that he was being laid off, he was extremely happy, um, because he will be paid through the end of the year; he will have his COBRA payments through the end of the year. Um, it basically put him on a very nice vacation; and it would give him a chance to try a lot of these things he wanted to try; and, um, and so he was extremely thrilled. Uh, he was just, yeah. I told him he couldn't go bragging to everybody. And so, um, I've been in touch with him lately, and he's just doing fine. He had a great summer. And, um, I don't know if he will get serious looking for something or doing something by himself until a couple of months down the road.

Researcher: So it sounds like you stay in touch with people even beyond.

Participant 1: Oh yes.

Researcher: Okay.

Participant 1: Oh yes. Oh, the other manager, she also had a great summer, which is what she was planning to do, but now she really wants to knuckle down. And, uh, one of our employees heard from her just yesterday and said she was really planning to knuckle down now and look for a job. Okay. Yeah, it, it's a small company. So, I, you know, I'm, I'm very close to, on a professional level, uh, a lot of these people. Uh, so, one might think that that was the end of it. But, unfortunately, Ms. Dissertation Person, um, that was not the end.

Researcher: Even though you expected it to be, yes?

Participant 1: Um, you never really know. No, you never really know. Um, because of the way things work in other countries, in some countries we had consultants and in some countries we had employees. In this one particular country, we had an employee, and, um, that office will close at the end of September. And so, in July, we sent out our young guy to, uh, to deliver the, the news to her that that office would be closing.

Researcher: Did they get any forewarning or know that that might be the case?

Participant 1: She said that she figured when we closed the out-of-state office that she wondered why she wasn't eliminated then. Uh, and so, um, our young guy and myself rehearsed over and over again how he would present this to her, some objections that she might raise, some cultural things that might pop up, and, uh.

Researcher: She is not an expat, I take it. She is a…?

Participant 1: She's a dual citizen.

Researcher: Okay.

Participant 1: So she is an American citizen and citizen of that country.

Researcher: Okay.

Participant 1: And, she had never really wanted to work in that country; she really wanted to work in the United States where her mother lives. Um, but that was the deal, and so she took the job. Um, and so, uh, he went over there with his, with the severance agreement. And he explained to her, "You know, we're going to shut down this office." And she said, "Well, I expected that." And he gave her the terms of the, uh, of the severance agreement, which were slightly different. Each, each one of these agreements, with the exception of two or three in [City Name] and two or three others in [City Name] was an individual one. I think that's unusual when you're doing a mass layoff. Um, but anyway, so this was individualized according to her country. And, um, we expected that she would say, "But I want more." And, oddly enough, she did. And our employee was coached, and he had already decided on his own, that he would say, "This is what it is." And so, I suggested that he say, uh, "After much discussion and consideration" this was the best that he could do for her. And so, um, so that's what he did. And so, she sent three… ; she said, "Okay, I understand." Then she sent three different emails: Uh, one to our young guy, who was now her supervisor; uh, one to the CEO of Company A; and one to myself. And each one requested something a little bit different. From the CEO, she requested her, um, I think her bonus. And from me, uh, I'm not sure what, what specific thing she requested. But, um, let's say it was an additional month or something. Oh no, from the CEO, she requested an additional month. From me, she requested her bonus; and from, um, our young manager, um, she requested that she leave her post early. And so I combined all three of those and created a response to her that generally said, "As for this..." I, I generally use titles in my email for each paragraph; it just makes it easier to read. And so I said, "I'm going to respond to the correspondence that you had with the

three us." And I had a topic sentence and then a description of what the situation was and another topic sentence, and so forth and so on, a topic heading, and then, um, all the way down. And, um, she thanked me, and then she fired off another thing to the CEO of Company A. And he responded with, um, "You actually were employed longer than the people in the out-of-state location; so, in fact, you will have received more than they did." Because she got a two-month package and they got a three-month package. "So you will have received more than they did. Your insurance is being covered according to your country. And, um, due to the current economic conditions, this is the best we can do. And I'm hoping that that settles everything. There will be no more correspondence about this." And she said "thank you" and there wouldn't be, and so, um.

Researcher: Did he consult with you prior to responding? Do you recall?

Participant 1: Uh, I consulted with him.

Researcher: Okay.

Participant 1: Uh, he's just a couple of doors down, and I went in. He, he was copied on the correspondence to her. That's another reason I have to title things that, um, emails that he's going to read, because he is a Blackberry person. So he is going to zip through them. So I, I really try to put topic headings. Uh, no, we, we all pretty much talk together. If it wasn't the three of us, then it was in twos, in dyads. Um, and, the, the young manager is in the office right next door to me. So he can just run in and ask a question or ask a question through the wall. Um, so, uh, that worked out. Um, unfortunately, our out-of-country, uh, soon-to-be-former employee, still tried to manipulate things like her vacation. She decided that she could work from the United States just as easily as she could work from, um, the other country.

Researcher: Her base.

Participant 1: Her base country, right. And, um, no, that didn't work out. It turns out that she's pretty excited about the termination because she is now affianced to, um, a boyfriend that she has had for years, and he is in the United States. And so the idea of being with him is just wonderful. But at the same time, she really wanted to be out of her home location, out of her base location. And so, we're still struggling with that one a little bit to just keep explaining to her and just keep the machine, the message saying the same consistent message over and over again. And so, so my experience with this one, um, I'd like to kind of summarize in a couple of different ways.

Researcher: Sure.

Participant 1: One is: This is the first time that I have had a mass layoff that stretched out over the course of many, many months. Um, it's the first time that I had multiple packages and arrangements, um, and customized to the nth degree, though there'd been customizations before. But this one seemed to me like everyone was customized. And, um, it was also the first time that there wasn't a general, planned announcement to the company as a whole. It was more to the affected individuals. And, um, I might have done that differently had I had more control rather than being the, um, operational person. Um, it seems that every time I tried to work in on the strategy of the whole thing, um, I either got an assignment or I got left out of something. So, um.

Researcher: So, was the strategy being generated primarily by the CEO of Company A?

Participant 1: The strategy was, yes, yes. We talked quite a bit. I made suggestions. I made recommendations. I, um, showed where we might have exposures. Um, I explained some legal aspects. Um, but from there, he kind of ran with it, rather than necessarily

working with me each step of the way. And, I'd always been, in the past, the partner. Uh, I had a consulting role; I had a quasi-partnership role. Um, I didn't have charge of the whole thing. Um, we did have one person, incidentally, going back a couple paragraphs, who did get transition services. It was our, um, employee, who knew it was coming. He said, "You know, in the past, employees have gotten outplacement services. Um, could that be available to me?" I said, "Of course it could."

Researcher: So, I want to come back to *you* because you said there were some things that were quite different for you in this experience. So say something more about how *you experienced* all of this.

Participant 1: Okay, so, um, okay, my first, my first thought is, what's going to keep the company out of court and what's going to be the best experience the company can offer these people because they continue to be associated with our company long after they leave. So, my first thought is, um, protecting my company legally, protecting my company, um, in terms of respect from the community, and from the industry, and doing things that go along with our values. My next thought is, helping the individual and, uh, helping the individual work through some sort of a successful transitionery [sic] mode. And, towards that end, I kept in touch with them, and, uh, through the process, um. Oh, another thing that was different, uh, was these employees, uh, had a long period of time where they were supposed to remain in work mode or at work.

Researcher: Sort of wrapping things up?

Participant 1: Yeah.

Researcher: Okay.

Participant 1: Uh-huh. So they were notified long in advance of their final day. And that was a little bit different for me. None of this was unmanageable at all. Uh, and I think that's because it was a small company. None of it was at all unmanageable. I really would have preferred if some of these people, uh, had, had taken what I was offering. Uh, but one of the things that…

Researcher: Say more about that. In terms of information? In terms of…?

Participant 1: Information, coaching, um, uh, delivering the message, um, creating the package.

Researcher: So, you're not just talking about, uh, the affected staff? You're talking about the managers who were delivering the messages?

Participant 1: Oh yeah. I care about them a lot. And, then the impacted had other people in their departments. "Please be sure to meet with other people in the departments. Explain why. Be general." That kind of thing. Um, in past experiences, because the reduction in force had happened as a one-time thing, um, I could provide training for the manager group.

Researcher: Uh-huh.

Participant 1: And then they don't feel singled out. And I can provide a little workbook and, uh, they can discuss with each other the challenges that they think they'll face. And then we can talk about, uh, uh, meeting with your staff after the reduction in force has been, uh, has been announced, and survivor syndrome, and things like that. But there were precious no survivors to be dealt with. Um, because in the case of our base company, Company A, we lost 2 people out of 45. You don't have a lot of survivor thing to work with. Um, our happy-to-leave employee was thrilled to be training three people

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to take his place. And he said, "You know, they are going to screw up because they can't do it as well as I can. And look, there's going to be three little guys trying to do this."

Researcher: And that was the fellow who was getting divorced?

Participant 1: Yeah. Yeah, who was thrilled to leave. And, uh, I think that, that the manager of the position we eliminated, um, her, she had two employees and, uh, one of them came to me even today and said she feels very paranoid. And I didn't smile at her this morning, and she thought maybe, uh, it was a message.

Researcher: So she's feeling vulnerable because it was so close; namely, her manager?

Participant 1: And she doesn't care for the way it's been restructured, that, that job has been restructured. So, she has a lot of anxiety.

Researcher: But I am hearing you say, she's sort of anomalous when you look at the organization as a whole.

Participant 1: Exactly, exactly. She's not really, she's not so much of a survivor, um, because it's not like we had five of such-and-such a position, and we eliminated three of them and two of them are surviving. So, it's a different type of thing. I mean, we don't have anybody else to do her function. So, her answer is, "Well, you could outsource it. You could outsource everything." I have to admit that, um, when my CEO, uh, we are changing our location. We now occupy parts of two floors of our building and we will all be back together again next year on one floor because our lease is running out. We have the opportunity to move. And, so, um, my CEO was playing with the floor plan one day when I walked in and he said, "You're going to have the office right next door to mine." And, um, I went home that evening and said to my husband, "Guess what? I, um, I was looking at the floor plan and my CEO said I am going to have the office right next door

to his." And my husband said, "Well that's great. You'll be right next door to the CEO."

And I said, "That's not the point." And I think any HR person would have instantly

known what the point was. And he said, "What's the point?" And I said, "The point was I

am on the floor plan." So, um, I think there are probably a lot of employees who are

seriously wondering whether they're included in the floor plan. So, um, this morning

when this employee came to me with her concerns, I assured her that, um, the fact I

didn't smiled [sic] at her had nothing to do with any secret agendas; and if there is a

secret agenda, I am not aware of it. And, um, and I realize that having a job does not

equate to job satisfaction. Is there anything that I can do to make her job, um, more

pleasant or bearable, um, she should let me know. So, okay, I think that that gets rid of

everybody we had to get rid of in our reduction in force. Some of it was due to office

closing. Some of it was due to position elimination. And um, we didn't have to send out

any more notices because we're not large enough. Um, we didn't have to have an ERISA

plan because we don't have a general, uh, way that we do reductions in force. And so, for

a small company, um, we didn't have some of the hassle of a large company. Had we

been talking about the 2002 situation, it would have been different.

Researcher: Is there anything at all that you want to tell me, again, about your experience

of what it was you were charged with doing?

Participant 1: Um, I guess my impression here, as I was working through that summary,

uh, was that I knew how to do this because I had done it before, and I had done it well,

and I kept all my documentation, both electronically and in paper form, and I could show

it to anybody and defend anything.

Researcher: Wow.

Participant 1: But this was a very different kind of an experience for me, and there were times when, there were times when I might confuse what happened with one employee's, um, package with what was happening with another employee's package. Uh, so I felt uncertain at those times. And um, I never thought, "Oh, this is it, no, not another one." No, I never thought that because I understand how our business works, and so, um, that wasn't surprising. But the fact is that I learned a lot of things in this reduction in force and so, it was a good experience for me. And the last reduction in force was a good experience for me. One of the reasons is I feel privileged to help people, that I am the one who is there for them as opposed to anyone else, or in addition to anyone else, that I am there for them. So, that didn't change, um, and the feeling of being privileged to participate in something this personal and difficult for them. That didn't change. Um, but it helped me realize each time something like this happens, it's still not easy and, um, and there were differences; there were differences. It isn't the same RIF [reduction in force] as the last one, or the last one, or the last one. So it was a great learning experience for me. And, um, if it happens again, I will not lose my perspective. I will feel it just as deeply, and, um, really try to understand what people are going through, and, uh, have insights into what the company is going through as well. And, that's it.

Researcher: [P1 continued to talk about her experience after the digital recorder had been turned off. So the researcher asked if she could turn the recorder back on again.] We're recording again. So say something more. How might I have asked the [research] question again?

Participant 1: So, um, I looked at this from an experiential standpoint. Which was what, what the experiences were, rather than what I, as an HR [Human Resource] person, was

experiencing, i.e., *feeling* or *thinking* during this process. And so I approached it as, um, as an operational experience. These are the experiences that happened. Um, I think in my summary, I spoke a little bit more about how I felt going through this. Um, to expand on how I felt, I said over and over again, privileged, blah, blah, blah, but I also felt that I was the guardian of my company and that I was, uh, responsible to make sure that if it wasn't done right, that at least it was done the best way that I could see it being done. And hopefully, it was *right*, right from the company standpoint of keeping us out of court, um, and making sure that, um, that our reputation was preserved. Right from the, um, from the, uh, terminated employees' standpoint in terms of there is no good way to lay people off, period, period, period. I've seen many different ways. There is no good way, because in, in the end, the person has lost a job. And, no matter how it happened, what they're remembering is, "I lost my job."

Researcher: Uh-huh.

Participant 1: Um, I was really sorry to see people losing their jobs. And, you know, um, I really felt for these people as they were going through this and knowing that they were going to receive their notice on such and such a day. And I think that if I had not felt horrible on those days, maybe I would need to get out of HR. Because, no matter how many times you go through this, you think, "Oh yeah, yeah, they always have questions about COBRA [Consolidated Omnibus Budget Reconciliation Act of 1986]. They always have questions about their 401(k). Oh my God, that's another question about… " Well, whatever it is, it's *their* question; it's their first question, and it's their only question; and so it becomes my only question. So, um, uh, so that was one part. Another part was we worked so hard to put together our out-of-state office and to get these absolutely fabulous

people in. Um, I felt so crushed for the CEO of out-of-state, and he refused to take my virtual arms around him. And I could really understand that. Um, and it was really expressed very well by his administrative assistant, the administrative assistant for the whole company, when she was hurt on the phone with me or, um, or accused me of saying, or not saying something that was absolutely written down. Um, but I could, I could sense that horrible, horrible hurt, and I just wanted to take it away from her. I just wanted to find some way to evaporate that hurt. And, uh, for all the people in between the CEO and the administrative assistant, I knew that they, these high-level professionals, also had their levels of hurt, disappointment, and anger, and, uh, it would take them awhile to see their way to new opportunities. So, um, that was another thing that I experienced in terms of what I felt, experienced. Um, I also felt extreme pride in our young, young manager, professional, who just stepped right up and just came in the next day, and, um, said, "You know, um, I guess I'm supervising so and so and so and so now. Uh, is that the way it is?" And we went over whatever he needed to go over; and he just, now he is traveling overseas, I'd say, two to three weeks out of every month.

Researcher: Wow.

Participant 1: And, uh, and that's just part of the job.

Researcher: Yeah.

Participant 1: We were able to reward him quite substantially with an unexpected bonus midyear. And I was *thrilled* to be able to send him that letter. And, um, so, so he just, he, he's brilliant to start with, and he just stepped up and embraced what he needed to do. And, um, and he felt, incidentally, that we had done the right thing in closing the office out of state. So that was, I, I thought, um, it helped me to realize that, even though these

were wonderful people, maybe they had even more that they could have given to make their company successful. Um, we put in a new CEO, an acting-CEO in Europe. And, um, and it's one of our guys who is, is quite laid back. And he is traveling two weeks here and two weeks in Europe as acting CEO of that company. And he's grown tremendously, and is just, um, I take pride in that. So, while these horrible, horrible things are happening, good things are, are blooming out of it. Sometimes it's kind of, um, akin to these horrible fires that are going on in California and Colorado right now. And we know that new growth is going to come out of that, you know. And so if it's people that have left, yeah, there's new growth opportunities; and for the people who are staying, there's new growth opportunities. So, that's a little bit more about what I was experiencing.

Researcher: Thank you so much, truly. Thank you.

Participant 2. Researcher: Would you describe in as much detail as possible your most recent experience as a Human Resource manager having responsibility for the implementation of your company's downsizing initiative? So, I am going to repeat that again. Would you describe in as much detail as possible your most recent experience as a Human Resource manager having responsibility for the implementation of your company's downsizing initiative?

Participant 2: Sure, I would be happy to. Um, you know, I think I will begin with the end in mind by saying that I think if Human Resource professionals do their job properly all the way along, you are constantly flexing your business to meet the needs of the external environment and hopefully it doesn't come to a point where you have to do downsizing. Um, you know, the current environment that we're in and the history of our organization

did require us to do, and I will use the word *rightsizing.* And I know that is just a pretty way to say downsizing, but in reality that is what it was. It was, we had gotten, uh, we had allowed the business to get a little fat in the good times, and we just, we would add new corporate resources, for example, and that were, that was work that was previously done in the operation and we wouldn't true up the operation for this centralized support now; and so it was going back through the organization and doing, identifying some efficiencies that should have been dealt with previous. So um, you know, when the determination was made that we had to look at the organization and see if there were efficiencies, you know, that's really the opportunity for the HR [Human Resource] professional to step up and play a very, very big leadership role. Um, you know, no one came to us and said, you know, cut the organization by 10%, just every department has to be reduced by X percent or something like that. Instead they look to us to say, "Is there opportunity here and should we, is it the responsible thing to do in response to our shareholders, to find some efficiency here?" So it was our opportunity to do a few things: 1) Look at the organization in a very fair way, in a very objective way, and try utilizing, not just gut, but rather data, and a very thoughtful decision-making process, and including others in that process to identify the ideal state and structure and then compare and contrast where we are at today and then figure out a plan to move from current state to future state. So, 1) we have the opportunity to do that properly; and 2) we have the opportunity, once we identify impacted individuals, or actually, even before that. So, 1) we have the opportunity to see where there are efficiencies. But 2) we have the opportunity to then say how we identify who is impacted. So if you have a group of 20 and you decide you know that it could be reduced by five, how do you identify those five

if all 20 are the same? So we have the opportunity to do that in a way that is very fair and very analytical and weighted appropriately. And, you know, too often HR departments revert to things like just tenure or something like that. Well why would you do that? I mean, why would any organization just base it on tenure? Should tenure be factored in? Absolutely. What about skill set? How do you weight those different skill sets? What about performance? What about all those other factors that are important and how do you weight those and how do you utilize the decision-making process that you ensure that you make those decisions fairly, and that you keep the best people. Because, at the end of the day, the first rule of business is to stay in business. So you need to keep your best people. And then 3) you, as a leader of the HR function, have the opportunity to deal with this very unfortunate turn of events in a very graceful way and allow people to be treated fairly and communicated properly and provide them with fair benefits and to allow them to exit the organization with their head held high, with dignity and respect. You know, too often I see HR organizations that walk in one day and they say, "We made this decision; your position is eliminated." "I have been here 50 years and I have always been a decent employee and now all of a sudden you're going to walk me out with a Security guard? You know, what, what the hell?" I mean, that just makes zero [sic], I mean, we expect people to turn from, you know, trusted employees to felons over a period of a minute and then we treat them so horribly. So each of those stages have [sic] a lot of in-depth planning that have to go into it, and I think the opportunity for the HR professional to look at each of those stages very holistically and think through every step and put a plan together and mobilize the HR team in a way that they know clearly what their expectations are, and what the timelines are, and what pieces have to be done before

other pieces, and so that it is executed flawlessly. And that is incredibly important, to execute it flawlessly, because any misstep along the way compromises the process. You know, for example, just taking communication as an example, you know, I want to control the communication to all the key stakeholders. So I wanna make sure that the people I want to know first, know first. And I want to make sure that the people I want to know, hear it the way I want them to hear it. So that we have the opportunity to control the message and control what sounds like a negative word, but it is really in this context. Not, I mean, I don't want people making up stories and, if you allow them to, they will. So if you're, first using communication again as an example, if the first time your company hears about a downsizing is in the news, I mean shame on you. I mean shame on you, if they learn what the company did through the news versus from the CEO or from, you know, one of the senior leaders of the business. Uh, you know, we have to tell them with candor and honestly what this means to the organization, who was impacted and, even before all that, you have departmental meetings. Obviously, before that, you have individual meetings; before that, the leaders have to be involved at some point in time. So how do think that all the way through? What are those message points? As the HR professional, are we providing those leaders of those departments talking points so that they're on point? Are we providing that supervisor that is going to sit down with the individual that is being notified with talking points? Is an HR professional in the room with them? Are we scheduling out these things so that they happen back to back to back to back to back so you can, again, control that message and it is not getting out? You know, are we ensuring that we are being very respectful and giving people time to digest this information? And, you know, thinking it through systemically and holistically, so

that, you know, it's, it is executed flawlessly? And that *is* the opportunity in this unfortunate turn of events, is that, you know, once the decision is made, you know that you have the opportunity to make the best of it, and uh.

Researcher: It sounds like, clearly, you had a strategic, as well as a tactical role.

Participant 2: Oh absolutely, down to who is meeting with whom, in what conference room, at what time; who is picking them up. I mean, we plan it out to that level of detail, because you have got to take it very seriously. And uh, you know, I, I remember sitting down with my team on the last event and uh, you know, uh, I said, "This is our opportunity to do this right, and we need to do it right for those that are impacted, you know. We have got to do it so that they walk away from the business, maybe not happy with the decision, whatever, but they feel like they were treated fairly and that we respected them for their service. And that we honored them on the way out the door, and that we provided them with benefits that were acceptable, you know. Acceptable so that, you know, they could, hopefully, you know, bridge them to the next [job] opportunity." I can go into lots of details about all the tactics and all those different phases but, you know, I would almost prefer and, if this is what you want to do, which is to guide me a little, or I can just ramble.

Researcher: Um, I want to know about *your experience of this* as the HR professional responsible for implementation, and it sounds like, you know, obviously you were not just involved in implementation, you also were involved in creating the plan.

Participant 2: Well yes, absolutely, even before that, meaning, should we be doing this or not? And, so, for example, and I will get to your question. But, you know, the way that we went about it, we have many business units. But we have five business units that are

essentially the same, um, and so we began building an ideal state for one of those business units, and using ratios for, okay, we need X amount of these employees for Y amount of revenue, or whatever the formulas were.

Researcher: Uh huh, uh huh…

Participant 2: And then, once we kind of built that ideal state, we could overlay that model with the actual organization and say, "Well, wait a minute, why does this one have 10 and this one have 5?" And maybe there is a good reason. We could ask the question, and maybe, for example, if you are operating in California, there are different additional regulatory rules and you need it. Okay fine, it makes sense. Or maybe it is just that you know we really don't need 10, and maybe the real number should be 6; so this one is lean and this one was heavy, and how do we true that up? So we worked with the operators to develop that level of planning to ultimately then execute on.

Researcher: Who led those conversations? Was it you as the Vice President? Was it you with the CEO, or the head of that particular business unit?

Participant 2: Um, no, I couldn't lead them all. So I led the entire effort, but I had my HR leads at all the different locations. And, you know, I think that is where the leadership piece comes in though, because they maybe would not have gone through it this way. So I would handle the corporate discussions where we are pulling all these pieces together with the business leaders of those individual businesses. But my HR leaders at all of those locations would actually go out and, you know, speak to the operational leaders and understand the structure and come back with the data and so. I mean, it is a team effort. You know, how did it impact me? Um I think I have already hit on a few of those, I will dive a little deeper. I mean, you know, I think when it gets to this point, it is a point not

of, it is a point of getting to ownership, meaning, you know, nobody likes these situations, so, but if when the economy shifts like it has, and we obviously have a fiduciary responsibility to review the structure of the business and ensure we are operating as sufficiently as possible as a public company. And so, you know, it's not good or bad, it just is. And how do you get to that point? I am saying objectively, that it is not in my control. Ha, what is in my control is how we do this. And, you know, that goes back, you know, to taking ownership for it. And then going to my team, and I think it was almost a little bit of a shock, because it was the first time I had been through something like this with my current team. I think it was a little shock for them to hear, you know, what we do have in our control is how we do this and how we treat people with dignity and grace. And it puts them in a whole different mindset, you know it. And it puts them in a whole different mindset, you know it. Versus you know this drudgery, we have got to do it; we have got to plow through this; this is really gonna suck; you know; I don't own this. Why are we doing this? No, we do own this; and we are going to do this; and we are going to do it right; and that is what we have control over; and we owe it to our company and we owe it to these individuals. So I actually, I think for me, I get more in a mode of execution. I get into this mode of planning. I get into this mode of systemic review. I get into this mode of, you know, orchestration between who is working on the communication piece, who is reviewing the selection documents, who is conducting the focus group meetings to go down and review the people that are being consideration, who is reviewing those that we think we have selected to ensure that they are legally defensible, who is creating the documents, who is. I mean I get into that mode of orchestration. Um and I don't think that it really impacts me very emotionally at that

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point, ah, until the end. Um, I, we actually had two in the last year. They were planned as one, but the timing occurred as two separate pieces. Um and I remember coming off of each of those and just being spent, just completely and totally just spent. And in reflecting on those, it wasn't about the amount of work; and it wasn't about the hours; and it wasn't about. It was just the emotional energy of what we had to do and in worrying about *everything* from the individuals impacted, but also my people that are notifying. And the threat of violence and, you know, I mean, you just, you just never know. And we have even factored in *that*. What is our planning for that, and how do we ensure that you know that we protect our folks appropriately? I mean, you never know. You don't expect that really to happen, but it does happen and so, to not think of it. I, I would, and if anything were to happen, I would feel personally responsible. So, you know the emotional toll that it takes is significant. And I, I remember, in both instances in the last twelve months when I came off of it, you know just, just, emotionally being drained and tired and sad, and um really, really in a place where I had to recover for a couple of weeks. So, you know, what else?

Researcher: How do you go about the recovery?

Participant 2: I have a lot of practices that I employ for recovery. I am, you know, I exercise at least six days a week, usually more like seven. Ah, I do yoga two or three days a week. I do, you know, some forms of meditation. I do lots of reading. I, so, you know, it wasn't anything other than just taking a breath and kind of getting back to, and I probably didn't even give it up completely during those time periods. I mean I very seldom, I may go from six days a week to four, but, ah, I very seldom let that slip. Um, I think it is just a time to acknowledge, you know, the way I was feeling and reflect on the

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toll that it does take and recognizing that, and ah getting some rest. And, ah, you know, and also I think some of the recovery is the result of hearing how the fruits of your labor have played out. Um and it is not, "Okay yes, we did it without any violence." It's, it's, people understood. They felt like they were exited gracefully. We treated them honorably. That the operators felt better prepared than ever; that they had all the communication; and that they knew what was expected. That, so, not only did we accomplish the job well, it was *how* we accomplished the job. So I think a lot of that feedback, you know, feeds the soul as well. That, you know, we did the best we could. Um.

Researcher: And you said it was done in two pieces, and you have multiple sites. Were all the sites impacted by this?

Participant 2: Well, clearly not all of them. We have hundreds of sites.

Researcher: Oh, okay.

Participant 2: So, individual properties around the world

Researcher: Okay.

Participant 2: So, um, no, not every site was impacted. Were all of our divisions impacted? Absolutely. Were they in lock step? And this goes back to timing and planning. Yes, absolutely. So we knew at 9 a.m., this happens; at 10 a.m., this, across the world. And so, we had it coordinated to that level of detail. Ah, this is when you tell your senior team; this is when the message goes out from the CEO; this is when it is released to The Street [Wall Street]. You know, I mean, we had it planned out to that level of detail. Um, it was in two phases because we have a very seasonal business. And so, while there were certain positions that we could eliminate, ah, as soon as possible, as soon as

we could plan it appropriately, um, we did that, and that was our, again, fiduciary responsibility.

Researcher: Uh-huh, uh-huh.

Participant 2: There were others that really needed to wait until the end of the season, and so we waited until the end of the season, and then did that second phase. Again, it was all planned out originally. And, you know, I think this is probably one of the key messages for an HR professional, is: "How do you own your agenda?" So nobody told us how to do it; nobody told us when to do it; nobody told. *We*, we came to the business with a proposal on when we notify people, why we chose the dates we chose, why we are doing it in two phases, how that. I mean, you know, again if, if you don't, as an HR professional, own your agenda, someone else will tell you what to do and you'll have to execute and then you won't own it and you won't be able to necessarily, um, do it to the best of your ability. So um, you know, it is important, in the HR function, to show that leadership and to—it goes beyond downsizing—but just in general to, to take control of it and own it. This is, this is an unfortunate part of our space, but it is our space. So, um, when these things come up, how do [you] grab hold of it and show leadership and drive it?

Researcher: In terms of the actual execution, you know, sitting down and meeting with people, you know that sort of, I don't want to say that is the last step, it is one of the last steps. HR professionals do that; HR professionals do it with managers, I mean?

Participant 2: An HR professional should never fire anybody unless it is their own employee. It is not the HR person firing or laying off the individual; it's the operator; it's their supervisor. So HR should always be there, but they play a supporting role. So their

role is to, in going back to our scenario of downsizing, their role is to, um, after the operator has, you know, and again we have provided them with talking points and trying to get their head in the right place and the, uh, after they show compassion and talk about the decision that was made, and why the decision was made and where we are going. The HR professional's there for a few reasons, but most importantly, or at least most obviously, is to review the timeline and the benefits and how it works and COBRA [Consolidated Omnibus Reconciliation Act] and that we would like you to consult with your attorney and what's outplacement and all those types of things. You know that's what we do and also serve as a resource to say, "Look I'm here for you and you can call anytime and, you know, here is what you can expect next," and to really kind of serve as that person there to support the individual that is impacted. They [HR] are obviously also there to keep us out of trouble. So if something goes awry, there is a second person in the room. If the manager is straying from the talking points and going to a place we don't want him to go, trying to ensure that we stick to the right messaging. You know, if the employee is getting, you know, upset, how do we try to handle that situation? So, HR professional, we try to prepare them more appropriately for that stuff.

Researcher: So, you said at the start that, um, you know communication is very, very important, um, and that means a whole lot of different things, including you certainly don't want people to find out by reading the newspaper. So tell me more about how people in your organization found out. Did they find out when they were sitting across from the operator? Did they know something was coming prior to that, that there would be some rightsizing?

Participant 2: Um, no, um, they didn't know ahead of time. You know, again, I think if you allow that leakage to occur, so to speak, you know, people make up their own stories and the unrest it causes in the workforce and the lack of productivity it causes in the workforce, and all that. I don't think that that is a good thing to do. Um, so, you know, we had a very, very thoughtful communication plan that included everything from, you know, from when do leaders that are further down in the organization that maybe have not been involved, when do we make sure they know? And what support do we provide them, so that when people within their organization, maybe further down, come to them saying, "What the hell?" Or maybe there is a leader that just doesn't happen to have anyone impacted in his or her group, but the group right next to them is being impacted. You know, you can't let them be surprised by this because people are going to go to them. And if you want people to understand, you have to help them understand and provide them tools to deal with questions. Otherwise they'll say, "I don't know. What a stupid idea; I can't believe they're doing this." Well, you know, you want to build that ownership. You want to help people understand. So you go through, "Okay who needs to know when; what tools do we need to provide them?" Uh, all the way to the actual face-to-face notification of individuals. And then following the face-to-face notification of individuals, what support do you provide them? So do [you] have EAP [Employee Assistance Program] there? Do you have Security there? Do you have, you know, do you offer outplacement? Things like that, into, you know, notifying the larger organization prior to it going to press. And that is why it is so important to keep it under wraps, because it starts to leak out to the press or something. Then you're reacting and you can't control that message. And then, most importantly, what is that message? How do you

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now just say, you know, traditional corporate-speak of, "You know, unfortunately we've had to reduce the workforce by 100 people today and they have been notified and, uh, you know, they'll be, their jobs will be eliminated as of this date." I mean, no, you know. How do you, in your writing, actually express that, uh, you know, "We, these people were part of our family; they will be sorely missed. It was for these reasons, uh, and we wish them well, and we treated them fairly and, uh, please you know." So many times, all of a sudden when you know somebody has been notified, they are almost treated like they have leprosy. You know, how do you say, "Please, you know, celebrate their successes here, and help them in any way that you can?" And, and, why not have a farewell party for somebody leaving that has been here for 10 years? And, I mean, you know, wait a minute, you know, again, maybe we just eliminated a partner that had nothing to do with performance. But because it was part of this downsizing, we are not going to recognize them on their way out, just, you know, we are going to kind of close our eyes and tomorrow their office will be packed? No, why not recognize their service and wish them well? Because, not only is it important for, you know, as you well know, the impacted people, it is important for the quote-unquote *survivors*, you know. How does this company treat people, you know? And even though it is an unfortunate situation, how do we treat people? The other message, and this was true in our case too, simultaneously we announced an across-the-board pay reduction, from the CEO getting no pay, to executives going down by 10%, tiered all the way down to the very front-line folks getting a 2.5% reduction. And the reason I share that is because part of our downsizing strategy was to reduce expense without downsizing. And so, helping people understand that. And, you know, if you communicate that right, people get it and nobody bitched at

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me about losing salary. Instead they said, "Thank you for saving my job." So, again, it all goes to kind of how do, and I am not trying to spin, this isn't a spin, this is, how do you tell the truth? How do you say, "This is really sucks; we have to do this for this reason?"

Researcher: Ah-uh, ah-uh.

Participant 2: We were treating people fairly. We went through a process, and we are going to share some of this burden. Now, of course, you could get the critics and cynics that say, "Well, wait a minute. Two point five percent off of, you know, 13 bucks an hour is a lot different than a CEO that makes, you know, whatever the CEO makes." But still, everyone sacrificed, no exceptions. We all have to pay, you know. We all have to bear some of this burden in this economy. And what we also did, though unprecedented in this economy, and this was all driven by HR, is that we gave unprecedented, never been done in our company, we gave everybody stock. So we said, "Not only do you have to bear the burden, but we need you for our long-term success. You are now an owner in this company and, and unless we come together in this difficult time, you know, we are all going to fail. And so, yes, you're bearing the burden; but look at this upside potential." So, it was a formula that wasn't a one-for-one obviously, or then we wouldn't have any savings, um. But the potential in the stock growth far exceeds the hourly rate that was reduced.

Researcher: So, is this already in the past, or are you still engaged?

Participant 2: Oh, it's done. That is the other thing we did, going back to communication. We, our motto is, "Go bigger or go home." We went big and we said, "We're done." Our commitment to our workforce was we're done.

Researcher: For how long? Can you say?

Participant 2: Well, essentially you can never say; you know; never say never, you know.

Researcher: Right.

Participant 2: But we went to the Board. CEO talked to our employees and said, "Look, our commitment is that we're going to do our damnedest to not touch employee benefits, to not touch any more reduction. So, so, stop looking over your shoulder, you know. Short of Armageddon, you know, we're done." And we have been; and our other commitment was when the economy turns, so will you begin to get back some of these benefits. And, ah, that doesn't mean that it is a complete snap back. And we, you know, we don't know where the economy is going to go back to. If it were, if it was here before and now it's here, maybe it only goes back to here. But our commitment is that we are going to begin to; not only did we expect people to bear some of the burden, but they are going to get some the gain as soon as we can afford to give it. And all this is in the communication. So, whether they believe it or not is another story. But if you begin to, just like when someone exits, if you treat them with dignity and respect and celebrate them, people are going to say, "Wow, you know, they are taking care of their people." They will begin to maybe believe that the next thing is going to happen. And then, when we do this next thing, and the CEO and I are all over it; we keep talking about it; okay, and when can we begin to show people we are moving back in the other direction, wow, you know, look at that. This is coming; so you begin developing that trust over time, um, and that builds your culture.

Researcher: Anything else that stands out for you in terms of your experience?

Participant 2: [Participant 2 took a long pause and a drink of water.] Well, you know, it's, it's times like these that can also serve as a great rallying cry for organizations as well.

So, if you use them to your benefit—it sounds like you're manipulating something, not at all—but if you find the opportunity in difficult times, it can actually be a springboard to greater success. And so I can relate that to my team and how we came together and executed, and how we felt good about our contribution even in a bad time. And it brought us closer together and helped *us* build trust and all that. And I can relate that to the whole company. I truly believe that the organization has come together during this very difficult time and, as a result, we are stronger today and, as a result, we will come out of this stronger than we went into this, both in terms of structure and cost and all that, but, more importantly, in terms of alignment and dedication and all those things. So, you know, I mean, we should not take bad times as that. I mean, yes, unfortunate. It is what it is. It's a fact. How do we, how do we benefit from this? How do we emerge from this environment stronger than we went into this environment? Um, and I think that it's not only within the realm of possibility, it is our reality. I mean, I think we are better off today than we were a year ago.

Researcher: Including in terms of team cohesiveness?

Participant 2: Yeah. I think our culture has advanced over time, as I mention, over time; and it has advanced even quicker during this time frame. Um, I mentioned earlier; we have lots of different business units. And, you know, so we have kind of diverse cultures that, although it was articulated, I don't know that we really, really embodied it as an organization. So there were more individual cultures. And, during this time, we have taken the opportunity to say, you know, "No, we are all rowing together here and here is what we are all about; and here is what we will believe; and here is how we are going to do business." And so it has, it has brought us much closer together. Um, and, you know,

people begin to again trust and they begin to commit to the larger organization even when you're taking their pay away, that, "You know, damn, we've got to help this company survive." Even though it wasn't a matter of survival for us, um. You know, they are seeing other companies just like us going into bankruptcy, you know; go up for sale; do huge layoffs, 10% off the top, you know, things like that. And so, they see that and they say, "Wow we're not doing that *and* I want to help this company be as successful as possible." Um, and you can also use this as, you know, to do some of those things that are difficult to do in normal times, you know. I mean, um, an example that immediately comes to mind is probably a little too specific to my industry and I know you don't want to necessarily identify the companies, um. But you know there were decisions that you can make in times of, you know, just get your head down and get the job done, that would have been a much bigger deal, would have been a much bigger deal, in a non-kind of time of crisis. Um, so, you know, why not move some of those agendas as well?

Researcher: So tell me a little more about that, to the extent that you're comfortable.

Participant 2: Well I'm comfortable. I just don't know that you will be able to share it. So I will tell you, and you can decide what you want to do with it.

Researcher: Yeah.

Participant 2: Um, the … industry, it always amazes me that we have instructors teaching children without [personal protective equipment] on, and we have, you know…

Researcher: Let me make sure I am clear. Instructor and child don't have [personal protective equipment] on?

Participant 2: Well, the kids, we, you know, you can argue we don't have control over it, that is their parents. But none of our employees wear [personal protective equipment]

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because it's the macho thing to do. "I have been a[n] … instructor for fifty years and why would I wear [personal protective equipment]?" Plus we have an obligation to protect our employees just like normal PPE [personal protective equipment].

Researcher: Personal protective equipment, yeah.

Participant 2: You know, we don't give [personal protective equipment] and it's taboo. The industry doesn't wear [personal protective equipment]. It's a sign of, you know, macho-ism. Yeah, well, screw that. Ha, ha. I mean, you know what? You're going to work here; you'll wear a [personal protective equipment]. You know, we want to protect you. We want to be leaders in the industry. We want to send the right signal to those children that are looking up to you. We even mandated that any children in our … school have to wear [personal protective equipment], and we will provide them. So we are the *only ones* in this industry that have done that.

Researcher: And that came about as a result of all these other changes that you were going through?

Participant 2: Well, I don't know that it came about as a result of all this stuff. But I'm just saying this is an opportune time to make some of these tougher decisions because, you know, quite honestly people are just happy to have a job, ha.

Researcher: And it's not business as usual, right?

Participant 2: And it's not business as usual. And, you can be a little more selective because, you know, making up numbers, if, if you need 100 … instructors and this downtime you probably only need 75, and if 25 are pissed off, and they don't want to work here anymore, they are probably not people you want anyway. So the other 75 will say, "You know what, yeah, I don't really like it, but the logic makes sense. You know,

we are the leaders in the industry. Children do look up to us. I'm a … I am all about

safety and I'm not wearing [personal protective equipment]." So, you know, we, we

made several pretty bold moves during this down time because you can.

Researcher: Wow, interesting. Anything else that comes to mind? I am not saying there

should be. I just want to make sure that you had a chance to share everything that stands

out for you *about your experience*.

Participant 2: Well, I think that we talked a little about having selection criteria and

weighting those based on priority and not defaulting to the easy, the easy tenures.

Researcher: Tenures?

Participant 2: Yes, tenures are an easy one. But it's not the right thing for the business,

nor is it the right thing for the employee. You know, I mean, you got to do what is right

in terms of, you know, performance and potential. And tenure, obviously, is a part of it

and all of that. But that, also, in the nature of decision, I mean, you need to sit in a room

like this and you need to get all the people around the table that are in the know and you

need to conduct these, um, assessment meetings. And what you're looking at a work

group and so you got Joey and Suzy and Sam and Julie, and, and you decide, okay, you

know this, this knowledge of this kind of programming is important, and performance is

important, and tenure is important, and customer service scores are important, and

whatever is important. Weigh what's most important and go through a discussion, a

facilitated discussion, where the HR person leads that to ensure that all of the people that

have knowledge of this individual's performance potential, all that, can weigh in. So that,

ultimately, you've not only come to the right decision, you've got a defensible decision.

Um, because at the end of the day, you also have to protect the company. And so, um,

you know and when you can then go to individuals and, even though you probably aren't going to give them that level of detail, but you can assure them and look them in the eye and say, "Look, you know, this is unfortunate, but we went through a very thoughtful process and we have considered lots of factors, and now our concern is about taking care of you."

Researcher: Right.

Participant 2: Um, you know, won't like it. But, on the other hand, you know, it's defensible and they will likely believe ya. They will likely believe ya.

Researcher: I am inferring too, from what you said, um, and you said different ways, um, at different times in our conversation, that it wasn't necessarily the case that when an impacted employee, someone who is going to lose their job, sat down and got that news, that it wasn't necessarily the case that that would be their last day, but you talked about…

Participant 2: Absolutely not.

Researcher: Other people celebrate. Would you tell me a little bit more about that, more about how that worked?

Participant 2: Well, again, I'm a firm believer that you give people as much notice as physically possible. And, usually the operation will push back on that, and they'll push back on, "Ah well, you know, they're not going to be able to handle that; and they're going to be, you know, disruptive and they're going to be." And you say, "Well wait a minute. You know, were they disruptive yesterday? Why do you think they're going to be disruptive tomorrow?" And I have a firm belief if you treat people with dignity and respect, you will get that in return. And so, I have seen time and time and time again, and I am always nervous going into it—will I get this push back—that people not only

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conduct themselves very professionally, they far exceed our expectations. And so, the more notice that we can give people, um, 1) because it extends their benefit, ha, you know; 2) because others get to see how you're treating these people; 3) we can say goodbye and they will feel they have a little time to ask some questions and they don't feel like they're pushed out the door; um, and, you know 4) you could actually do some transition of work. I mean, you can say, "Where is this work going to, and how do we hand some of that off?" Um, so I absolutely try to bake in time. And then you deal with the exceptions. So if you have people that can't handle it, then, and you let them know that in the meeting, "You know, we're trying to do this in a way that is a win-win." Um, I mean taking another example: There is someone on my team right now that, that will be severed. She already knows. Now this is a one off, and it's a unique reason and she already knows. We talk about it almost every day. And she is, I am treating her with dignity and respect. She's responding very professionally. She is helping me transition and make sure we keep things moving. I'm helping her; I am even helping her set up job interviews. I am even helping her, so it's a win-win, if you can get to that point. Um and, you know, it's hard. I mean, there's [sic] tears. There's, you know, I feel bad. But at the end of the day, I feel good about the way I'm treating her. And she feels good about the way I'm treating her, and it becomes reciprocal.

Researcher: Anything else?

Participant 2: That's all I got.

Researcher: Okay.

   Participant 3, First Interview. Researcher: We'll stick this [the recording device] right here, okay, and it will catch both of us, and here is my question, which I can

repeat it if you need me to. Please describe in as much detail as you possibly can your most recent experience as a Human Resource manager having responsibility for the implementation of your company's most recent downsizing initiative. So I want to hear about your experience with this downsizing initiative.

Participant 3: Okay.

Researcher: In as much detail as you can give me.

Participant 3: Okay.

Researcher: And I may take some notes even though we're recording.

Participant 3: Okay.

Researcher: All right.

Participant 3: Um, so as I mentioned, our most recent downsizing was in February of 2009. Ah, on that one day, we lost about 76 employees. Ah, but over the past year and a half, uh, we probably lost about 140 employees. So that was the, the most recent one was our single biggest event. Um, but previous to that was December of '08, and then much of the rest of it was attrition, where we just did not replace, um, folks. Um, so, um, our overall, um, headcount is down about, um, about 16 or 17%. And the impact was primarily on, um, salaried employees, also known as overhead. We are a manufacturing facility, and the majority of our manufacturing employees were not impacted by this, um.

Researcher: Let me ask just a clarifying question. So you said there was also some downsizing in December '08.

Participant 3: Uh-huh.

Researcher: Some of that was attrition?

Participant 3: No, that was also, um, uh, layoffs.

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Researcher: Okay, and you were involved with that as well?

Participant 3: I was.

Researcher: Do you have any recollection roughly how many folks were impacted?

Participant 3: Uh, around 40, 36 to 38, um, yeah.

Researcher: Okay.

Participant 3: Um, so, uh, for us, uh, for my employer, the downsizing—or recession or whatever—the discussions about it really started in about October of 2007, and that is when we implemented a hiring freeze. So that's when I remember as the beginning of all of this, um, downsizing. Uh, so for, um, a year, you know, we, we cut as many expenses as we could and handled downsizing primarily through attrition. So as employees left, either for performance reasons at our request or on their own, we did not replace them. Um, and for me, that was sort of the beginning of the stressful time. Um, so this whole period has been fairly stressful simply because one of our core cultural values has always been stability. Um, our organization's been in place here in [State Name] for 25 years, and, uh, really not had a lot of layoffs. Um, I'm pretty proud of that fact. Our employees really, in our employee surveys, have always treated that as one of our big values. Um, you know, we may not be the best payer; we may not, um, have the best benefits, but we have stability. Usually, you know, you don't get laid off at our organization. Um, and so, uh, part of the stress initially was once our business started to, um, go down with the recession. (Um, our business is tied to the housing market, so that was the biggest impact on us.) We have seen our, uh, sales drop about 25%. Um, and so, for us, the aligning our business, um, our expenses with our revenue, and we did have somewhat the luxury of not doing it all at once. You know, we tried to manage it through attrition. So that was a

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very positive experience in that we tried to cut luxuries, if you will, which I guess you can call replacing people a luxury, um. And, um, you know, so from 2007 to really towards the end of 2008, um, you know, we really, we were careful with our expenses, but we weren't in the cutting mode. Um, and so it was really in the fall of 2008 where we realized that was not getting us where we needed to. Our sales were still below the level of our expenses, um.

Researcher: So let's go back, if we can. You had said about, you know, the stress really began in October of '07 when you first needed to start thinking about, right, how to get your expenses in line with your revenues.

Participant 3: Sure. Uh-huh. Right.

Researcher: And you said that was stressful. Would you say a little bit more about that for yourself with it?

Participant 3: Sure. Um, you know, I think, uh, there's probably not an HR person who likes terminating people, you know. So we like hiring people. That's where our joy comes from, or moving them into positive positions. Um, I have had quite a bit of experience in that in previous jobs. Um, and, um, you know, so it wasn't an unknown feeling, but because I had had some previous experience, it is hard. You feel, you know, just as we take the credit when you make a great hire, um, I do look at layoffs as sort of a management failure. And, and I do know a lot of this most recent events were driven by the economy. And yet, you always look at could you have been more careful, you know, could you have. For example, one of our philosophies is to have about 10% of our direct labor, our manufacturing employees, as temporaries. That provides us with cushion, um, for fluctuations in business. It gives us about a 10% cushion. We needed about 25%. So,

um, so initially the stress was, um, you know, should we have seen this coming? Um, and we didn't. You know, we are closely tied to the housing market. We've watched a lot of metrics with housing, the whole, um, financing issues and mortgages, um, you know; I don't recall any discussions of that. And hindsight is 20/20. Should you have recognized that housing sales were a little bit artificially inflated? Housing prices were inflated, um. You know, so there was a little bit of, um, you know, could I have prevented some of the layoffs by being a little bit more cautious with the hiring? Um, I, I don't think I beat myself up too much about that. But that was part of the thought process, and you start wondering, you know, could you have done things differently. Um, so that was some of the stress. And then the other parts were just, um, you know from October of '07 really, you know, until October of '08, um, doing everything we could to prevent layoffs, really looking at impacting employees' jobs as the absolute last choice. And so then the stress became more brainstorming and creativity and what could you possibly due to avoid that. And, um, I think my organization did a good job in terms of looking at, we eliminated, you know, many niceties, I'll call them, on the employee side—employee parties, for example, things like that. And, actually, we were, um, acknowledged on that basis, uh, that we cut the right things. We did an employee survey, and we got some feedback that, uh, we were cutting the right things. Um, jobs were important. We were trying to shield as many jobs as we could and, you know, cut the employee parties, uh, cut the, you know, season tickets to the baseball game, those kinds of things. Um, you know, we really tried to shield jobs, to maintain pay and not cut benefits. Benefits are also a high value for employees, and, um, training. Uh, we would like to say we're sort of a learning organization, and so we tried not to, um, we couldn't do much for employees. We were

trying to at least, um, make sure we, we kept investing in them and their future. And, we sort of adopted this, um, uh, how do we thrive, not just survive, and, you know, I've heard that a few different places in tough economic times. But sort of, um, what we talked about in the HR department in terms of, um, okay, so you've got lemons, let's make lemonade, you know. Uh, is there anything we could really do in these times to, um, be positioned well when the recession ended and, um, not just make do but really do better than that. And, uh, I think initially, in terms of cutting expenses, we are a fairly profitable organization, and it was probably not as difficult for us as it was in some other organizations. Um, and so, uh, the pressure and the stress probably came from, as a division of an international organization, pressure we got from our headquarters about how many people are you cutting. And we are fairly, uh, most of the divisions are fairly autonomous. There is not necessarily a coordinated message that goes out, "You must do this." And so, um, and we are the most profitable division; so we had so more flexibility to do perhaps other expense cuts. Um, but it, like most organizations, labor is a big cost for us. And you, you just, we just couldn't get down to that level where we needed to get to really match our business. It looked like this was going to be a longer-term effort than just a few months. And so, um, you know, how much more could we cut out of our budgets? We started to look at people. And, um, and that was, uh, you know, that was stressful. Nobody wanted to cut people. Um, we had, um, we had a lot of discussions as a management group. We have a senior leadership team in terms of, um, how we were going to do that. And I do credit our president with, um, you know, giving us some good direction and listening to our input. So, um.

Researcher: And senior leadership team, may I ask: You're the head of HR for your

organization, so they included you, as the head of HR, and chief financial officer, chief

operating officer?

Participant 3: We have a, um, business unit structure. Um, so, uh, segregated along

product lines, so there is [sic] five different product lines. They each had a vice president.

Um, and then we had, sort of, functional heads as well. So finance, like you mentioned,

HR, um, materials, customer relationships, so there was eleven of us, um, that all report

to the president and, um, make most of the decisions for our organization. Um, our

President made the decision that we did, um, we were able to reduce our direct labor, our,

our, really, manufacturing employees quite a bit by reducing the number of temporaries

we had, not replacing employees. And the assessment we made was, uh, that our direct

labor employees were pretty much in line with where our revenues were. So it was really

our indirect, also known as overhead employees, that took the brunt of the, um, the

efforts. And so, um, you know, our goal, um, was essentially to get down about 20%, um,

reduce 20% of our headcount from our October '07 levels. And so that was our metric.

Um, from that we subtracted attrition. And, uh, we were left with, you know, a number

that we needed to hit. So there was sort of a target number. We also made the decision,

um, to pretty much impact all departments equally. And, um, I, you know, I did not hear

a lot of complaints. We did have some discussion about whether there are some

departments that are more valuable than others, um. You know, I, uh, I am called the

socialist of our group. I tend to want to give everybody the same opportunity to prove

they're better than everybody else. Um, and, uh, so I pretty much, um, supported that, um.

It wasn't, I don't know that it was my idea, but our president said, "I think I'm going to

apply the percentage reduction across the board to every department." And, um, I liked that.

Researcher: Okay, because it, because of, uh, a perception of fairness? Everybody is bearing some of this burden.

Participant 3: Right. Right.

Researcher: Okay.

Participant 3: Um, and some departments had temporaries, for example, more than others. So, you know, um, my commitment was to our regular employees. You know, temporaries are temporaries for a reason. And, um, you know, not, not to be heartless about it, but, uh, we were really careful with, you know, what we called "rolling over" temporaries, so, you know, and making sure we actually had a long-term job for anybody. And, uh, so my, my goal was really to protect those people, um. And I was also concerned about the organization, uh, getting into some conflict about 'my department's more important to bottom line than yours.' And, um, again, I did not hear a lot of negativity around that. There was some discussion about, for example, our organization is built on innovation, um, Research and Development and, uh, should we maintain those people, um? We had some discussion around that. But, um, essentially each department head, so each one of us at senior leadership, got our, um, our number that we had to target. And we were able to sort of work that out on our own. But, um, uh, the HR Department was very involved. So we had HR staff assigned to each business unit, for example; and they worked closely with their managers to identify the positions that were least needed for that business unit. And then we did, um, kind of roll that up and look across the broad organization. Are we making the right choices? Um, there was a lot of

discussion about, "Is my strongest performer still weaker than your weakest performer?" you know. So should we shift people around? We looked at that opportunity. I don't remember we made a lot of changes as a result of that. Um, you know, and, and we did come up with, I think, really good factors in terms of criteria, looking at whom we were going to let go, contribution to the business. So, uh, the more skills you had, the better. Um, so, because we knew we were going to probably be short handed and the work didn't exactly drop 25%. People that could fill more than one role were deemed as more valuable. Um, performance certainly came in. Uh, one of our first slices at it, if you will, were people that were under performance, um, had performance issues, warnings, performance improvement plans. And, uh, you know, so that felt good to most of us in the HR group. Um, you know, an economic-related layoff is always, sort of, through no fault of the employees. We make ourselves feel better to the extent that the employees tried to put themselves in a more positive light by learning new skills, moving around a lot—that kind of thing—being really good performers versus those that were, perhaps, negative performers. Um, you know, I think that helped, um, assuage our guilt a little bit, you know, um. I'm not sure if this is appropriate or not, but we often have, uh, in my group, we have a large number of Catholics, so we talk about guilt very often and how we respond to guilt, and, and, um, you know, and feeling that sense of personal responsibility. And so, I think, um, initially it felt like we were going through the right process. But, you know, ultimately it, it went through a piece of paper to a person. And so, you know, at our most, you know, you never feel good about anybody losing a job. Um, so we did, um, my HR team also talked about, you know, what's the best way to handle a layoff. Uh, recognizing we hadn't really had one probably for eight or nine

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years. Um, and that was, uh, definitely a management mistake; we had overstaffed for a new product line, um, but, uh, this felt worse. That was, we had overstaffed. We ended up letting go a lot of people we had just hired. This was different. We were impacting. Uh, we had fairly, um, low turnover normally. Uh, we were running about 8%.

Researcher: Wow.

Participant 3: Our average seniority rate is about nine years, you know. So we had a lot of, um, longer-term employees. And so, you know, you start to feel that a little bit more than someone you've had a shorter-term relationship with. Uh, we came up with the idea of, um—you know, a lot of my staff had been involved in other organizations [and] they're all fairly experienced— and we talked about doing a voluntary layoff, you know, as we were talking about these numbers and that kind of thing. We talked about the possibility of, uh, sort of doing an incentive for employees to leave voluntarily. Um, I had talked to the president about it. He was, uh, in favor of that. I got very excited about it because I thought this would be a better way for the organization to handle it. Um, I presented it to our senior leadership team, and, uh, you know, the consensus was not to do a voluntary layoff. Um, so that was very difficult for me. Oh, I am going to get all verklemped. [Participant 3's voice cracked; she became visibly overcome with emotion and was teary-eyed.]

Researcher: [Pushed the box of Kleenex on the table toward the Participant.]

Participant 3: That's why the Kleenex, yeah.

Researcher: Yeah.

Participant 3: Um.

Researcher: And what, can I ask, would you tell me more about that, about the, the

rationale for that when, when you came to the entire team?

Participant 3: Sure. Um, I think the, um, so some of the concerns raised were, um: "Is that really better for the organization? Will we not lose some people that we really, really need?" Which I thought was a valid concern. Um, some of the other things were, we had, um, a member of our senior management team who'd been on both sides of a voluntary layoff and an involuntary, and he preferred the involuntary. So there was very much a strong, um, a strong personal experience that favored that. Uh, I personally did not understand that. Um, I sought to understand it after the decision. And, um, so I can't tell you the rationale there because it, I, it didn't stick with me.

Researcher: Yeah. But he was coming out of his own experience?

Participant 3: He was. And so that was really a strong—and I understand that—that's a strong kind of motive, you know, when there is a small group. Um, I suspect part of the decision was that some groups were really looking, um, to use it as a house-cleaning tool; so they were going to use it to get rid of some of the people that they hadn't been able to get rid of. Um, I would like to think we're a fairly strong HR department in my organization. We do make people follow a good process before they're allowed to terminate somebody. And there have been cases were, um, you know, it's been really difficult to terminate somebody because the managers do not follow through on proper, um, documentation and follow-up. They'll let months go by, you know. The employee gets another chance. Um, and, in some cases, the legal risks, um, you know, there are some employees, because of the laws, that are more in a protected class than others— there is more of a risk, um, and not that they're untouchable—but that makes us even more rigid in terms of following due process, if you will, or our process for termination.

So, uh, I believe that was part of the decision for some of the managers; although, uh, it wasn't really voiced that much. So, needless to say, I was pretty disappointed by that. Um, and it did affect me a lot personally. I mean, um, I think I saw it as, uh, I think I saw it as, even though we were moving towards the layoff, I thought this was really a better way to handle it. And, um, part of it was not getting my way, um, and part of it was, uh, I knew it would be harder on the organization. Um, so, uh, so that was hard. But the next day we came back. And, um, at that time, within my HR team, it was a fairly small team, my HR leadership team—so managers within my department that were really working on the layoff—and then direct, what we call HR reps, the direct folks working with the client groups. So, about half my department knew about it, and or two-thirds and the other third didn't. Of course, they all knew something was going on. Um, that caused a lot of stress for us. We talked a lot about, uh, whether we communicate it or not within a group, um, recognizing that we had to cut two people ourselves. Uh, and we decided at that time not to communicate it to the others. Um, subsequent to that, we had some discussions with the whole team, and they said, "I don't care how bad it is; it's better to know what's going on than to not know." Um, but that caused a lot of stress because there was a lot of closed-door meetings, a lot of that kind of thing. We were concerned about, um, we probably had six weeks, um, you know, uh, from the time we knew we were going to layoff to actually the day we laid off. So that was a six-week period where there was a lot of activity in the organization around planning it that. And we did not announce to the organization that we were going to do a layoff in advance. It was announced the day it happened, you know, after it happened. So, um, so that caused a lot of stress, um, because you're trying to be secretive, not only to the organization as a whole—which as HR

professionals we're used to—but to our own team, you know, which was really difficult.

Um, but, um, part of what made it a little bit better is, uh, is I think our team performed

wonderfully. I mean, uh, even though, you know, there was the, all of us were thinking

about losing people in our department, um, the skill and the experience and the

professionalism was just wonderful. Um, one of the combinations we had right before we

did the layoff is we had a manager's meeting for those managers who had people

impacted. And we kind of came together and laid out everything we were going to do—

all our documents, all our prep, everything like that—and I think they were astounded by

how well prepared we were. And so that was, you know, if you have to be complimented

for a bad thing, it's good to be complimented for a bad thing. So, um, because, again, our

organization had not done layoffs; and, um, you know all of us had worked—actually,

not all of us—um, most of us had worked at other organizations in HR, and that's where

our experience came from in terms of handling this. We worked a lot with Mountain

States Employers Council. Um, and so, um, our experience, I think, came through really

in terms of how well the planning for that went. So that was, you know, you weigh the

pluses and minuses of how that's felt, um.

Researcher: Would you say a little bit about your work with Mountain States? You're

saying you worked with Mountain States for this current situation?

Participant 3: Yes. Um, everything from, I mean, one of the key issues was, once we

came down with a list of people impacted, to do an impact analysis, so statistically

working through that to make sure we did not have any adverse impact. You know, that

was on, um, you know, sort of a real statistical, or numbers, level. But, um, having them

review all of our documents, our process, um, the legal side of it, uh, because we were

paying severance pay. We had waiver and release agreements. Um, we had in-house counsel, but, um, we do, um, he's kind of an all-purpose counsel; he's not an employment law specialist. He's very happy to work with Mountain States. Um, you know, so that whole, they reviewed that and made some recommendations coming down to making sure we had good defensible agreements. Um, uh, you know, coming up with the, all the documents. We had sort of an FAQ document for employees, making sure we were doing good things from a, um, uh, benefits standpoint, um. We did, um, we, we're a self-insured company. We looked at our contract. We found out we could extend, uh, insurance benefits to non-employees. Um, so we were able to carry them on benefits, uh, without just going through COBRA, and, uh, so.

Researcher: So you do that for your temps you're saying?

Participant 3: No, for our regular employees, um.

Researcher: Oh, I see, beyond their employment. Sorry. Gotcha.

Participant 3: Yeah. Not an active employee.

Researcher: Gotcha.

Participant 3: We had a caveat for that array way out, I guess, in our contract, so that allowed us half our employees, for example, continuation on benefits for their severance period, and then they had the full COBRA period. So we really, um, working with even Mountain States on the legalities of that and COBRA and things. So, um, you know, just using them, you know, from, primarily for legal counsel, but also for their best practices: "What have you seen other companies do? Um, you know, how did they handle the terminations?" One of the biggest discussions we had was, um, you know, like a lot of organizations, when you ask somebody to leave you walk them out the door, and that is

such a difficult thing to do. Um, I don't actually remember if it was December or February where we actually sort of, uh, employees left that day, but they weren't walked out the door. They were allowed to go back to their work areas, say their goodbyes if they wanted to, pack up their own desks. Some of them chose not to. Um, and we packed their stuff for them or arranged to meet them after hours, you know, to pack up their stuff. There was a great deal of concern for how the personal individual person was going to deal with it. And then, um, we also had our EAP [Employee Assistance Program] on site, um, you know, again, not knowing how an individual would handle this. We tried to be aware of what's going on with people's lives, but you don't know whose spouses lost their job, who's, you know, got financial problems, that kind of thing. And, um, and then we also did follow up with our managers, you know, recognizing the guilt we felt and the responsibility we felt as HR professionals. Um, we spent a lot of time with the managers in terms of how were they [sic] going to be able to handle it. And, um, we had a variety of responses. You know, the, the preferred method was for the manager to tell the employee what was happening. We had scripts written, um, you know, in terms of what the right words were to say. The HR person was always there in the room to kind of pick up if the manager wasn't able to complete it. Um, and some of them froze. Um, but, you know, in general, we followed a script, you know, where the manager kind of delivered the termination message; the HR person delivered the, you know, package, the severance package message. And then, um, the manager usually went with the employee to their desk and, um, kind of escorted them, you know, not to leave them alone, or left the building, you know, whichever way they wanted to, if they wanted to go back and empty their desk, or if they wanted to leave and come back later. And then the HR person went

on to the next one. Unfortunately, there was a schedule where we tried to get everything

done in about a couple-hour period. Recognizing that we have three shifts of employees,

um, um, our third shift was not really greatly impacted. Um, again, we had very few, sort

of, salaried employees on the third and second shifts; it was primarily the first shift, so,

um.

Researcher: But let me make sure, I just want to clarify. Um, anyone who was impacted,

who was losing their job as a result of the downsizing, the day that they were notified was

their last day?

Participant 3: It was their last day.

Researcher: Oh. Okay.

Participant 3: And, um, we talked about that as a leadership group, senior leadership and

as an HR group, and, um, really thought that was the best, um, situation, um. And the

main reason was the survivors, the people that were left, having to work next to

somebody who knew they were leaving their job. And, again, that first round in

December we had about 36, 38 employees impacted, kind of scattered all over our

campus—we have a fairly large campus—um, you know, many different areas. So it was

about, you know, 20% to maybe 10% of any one department. Um, and, in some cases,

that changed. For example, my own department, we did meet as my HR leadership group.

We evaluated the positions and the people. We chose two people; one of those was later

overridden by the senior leadership team. So what we did is, you know, everybody made

their decisions and then we looked across the organization, um. Actually, um, my first

two choices were both overridden. I was not made to, um, to choose a replacement for

one of them. So I ended up only having to lose one person in December, which was nice,

um.

Researcher: Could you say something more about that? About…

Participant 3: Sure. Um, so, again, I was given my target, um, you know, from a number perspective. I can't remember the percentage, but it was two people. Um, I supervise Human Resources and Environmental Health and Safety, and then I have, um, uh, the stragglers. Um, so I have a travel agent that reports to me. I have a company driver that reports to me. Um, I think those are the two oddballs. I'm trying to think, outliers. Oh, and we do have, um, we do have a crew; uh, we call them "the crew." We have a group of developmentally disabled adults that work for us, sort of a sheltered workshop kind of environment. And, um, they report up in the HR as well. So, you know, those are sort of non-traditional HR positions. Um, uh, I did suggest, in the initial round, um, the company driver. Uh, and, uh, because he is protected by our corporate president, uh, our nationwide president, um, he is sort of a, as we call him, a charity case. I was not allowed to lay him off. Um, which really irritated me because looking at it from a position standpoint, yeah, somebody who, like, gases up executives' cars, which is really his job, just is not a, um, critical skill. Um, so I was not allowed to choose him. Um, I did choose somebody in my EHS department. Um, we did talk about it as a team. We decided we could shuffle some people around, and the main shuffling was, uh, recruiting. Recruiting, um, really has had no recruiting to do.

Researcher: Right.

Participant 3: Um, most of my staff is pretty well cross-trained. Um, uh, you know, our most valued skill is probably the Human Resources generalists; they can do everything. Um, and then we have specialists. We have comp [compensation] specialists; we have

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benefit specialists. But, you know, in a pinch, though, anybody who has been a generalist

can pretty much fill any role. So we tried to keep the people with those backgrounds the

most. The person, uh, we did end up impacting in our safety department had, um, been

with the organization long time and moved up in the organization from a production

position, but was in an administrative capacity in, in the EHS group. And, um, you know,

uh, I'd rather keep somebody with broader skills. And so we chose to do her. Uh, it was a

little difficult because she was pregnant at the time. Um, but we knew a lot about her

family and her support structure and that kind of thing and, so, um. And it was

performance-based to some extent as well. So, um, and then I picked another person we

have onsite: Physical therapists that work with our safety department, one contract and

one as an employee; they're both part-time. I proposed eliminating one of those positions,

thinking we could make do with the other one on a reduced level. And, um, the senior

leadership team said "no." That was too critical a position to the health of their hourly

employees. And, uh, uh, you know, I was probably okay with that. I mean, I got to save

another person. So, um, so in terms of our own department, while losing the person in my

EHS group was a little bit difficult, that was the only person I had to leave, and uh, lose.

And, uh, and we were, um, you know, I was very much an advocate of, um, uh, really

generous severance packages, and that was one thing with Mountain States. You asked

about their contribution. We told them what we were thinking about for a severance

package, and they said, "You're being really generous." So we generally offered, um, two

weeks' pay for every year of service, um, two weeks in lieu of notice, and benefits

continuation for the same period of time as your severance, after which you could get

COBRA [Consolidated Omnibus Budget Reconciliation Act]. Um, we also worked with,

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uh, outsourcing providers. We ended up working with the [State Name] Department of Labor and Workforce Centers. We evaluated all the big outside companies, and, um, primarily based on a relationship that we already had, we have, uh, my staff is served on the board of the local, um, workforce center in our county. Um, and we've also had, um, people who have used them and other outside organizations and felt that we would get as good a service from the [State Name] Department of Labor as we would paying for, um, outplace services, so.

Researcher: Lee Hecht Harris, or whatever?

Participant 3: Or Drake Beam Morin, yeah. And, in fact, they worked with us. We had a, um, we set up a meeting, um, uh, for our employees only. Um, it was a private meeting at the workforce center, a two-hour meeting going through everything about applying for unemployment. Uh, we worked with unemployment ahead of time to find out what would be the most advantageous way to structure a severance program for our employees. Uh, we worked with our outsource provider that handles our unemployment to make sure all the reporting was so. Uh, and we explained all that to the employees, and then again the workforce center explained it. Um, two days after we let them go, they had a meeting where they were able to get, um, information on outplacement services, unemployment, training services, things like that. So, um, it felt good for us to be able to do that. And, uh, you know, again, Mountain States told us we were offering a fairly generous severance package, um, and so we felt pretty good about that. I mean, one of the angry parts for me was, um, that the directive from our corporate office was never about how many dollars to save. So it was never about, you know, we talk, at our location, our division, we talked a lot about matching expenses to revenues. Um, you know, so if revenues are down 25%,

expenses need to be down 25%. The direction we got from Corporate was, 'How many people are you going to cut?' And I would always go back with, "How many dollars do you want me to cut?" because I could cut one high-value employee for, you know, five production employees. Uh, and it was never about that; it was never about the dollars. And so, um, my push was, um, then I'm not netting out severance packages. You know, since I haven't been told how many dollars to cut, uh, I am not considering how much it's going to cost us in severance. I had done, um, um, I guess, you know, during this time, the '07 timeframe, we had done some planning in my group, uh, alternatives to layoffs. And so, um, we looked at not hiring people; we looked at, uh, shutting down over Christmas holidays. We looked at all these things, and we costed those out. So, if we lay off 10% of our workforce, here's what it would save us; then we have to subtract the severance pay. Here's what it would cost us to do a wage freeze, suspend bonuses, that kind of thing. And, in fact, we did, um, we did announce a Christmas shutdown before we did the layoff. Um, fairly early middle of um, uh, oh wait, that was probably afterwards, actually. That was probably for '08. But, uh, so we did, we did do some planning within my group in terms of what financial alternatives do we have to that. But, um, in terms of dealing with severance packages for the employees, um, our corporate headquarters did not ask those questions. And so I pushed for as generous as I thought I could get away with. Um, and, in fact, in the December layoff, we did not get those approved by our corporate office. Again, we are fairly autonomous. I don't report up into corporate HR; I report into my site. And so, um, subsequent to December, we got into some discussions with that. But, um, you know, I felt we were able to do fairly generous. Um, so that was another, uh, again, on the plus side of these things.

Researcher: The severance package is the same in December and in February, or…?

Participant 3: Uh, they were a little different in February because we did a voluntary then, so, um.

Researcher: Oh, okay.

Participant 3: So, um, um, you know, so we went through the December layoff. Uh, we left the employees. We did end up, um, we did end, uh, we did plan, uh, and, we have a number of buildings on campus, simultaneously in every building, the vice president that lived in that building, uh, had a meeting for all employees in the lunchroom once we knew. So we planned that, um, I think it was for 11 a.m., where everybody could hear the news all at once. Uh, which was, again, fairly unique for us, um. For example, if somebody leaves the organization, we usually don't make an announcement. Voluntary or involuntarily, we don't usually announce that they've left the organization. Um, it's hard to announce and not make a distinction between voluntary and involuntary. And, so, right or wrong, our decision's been we don't send out announcements when people usually leave. So, um, so it was very different for us to actually stand up, and each, um, manager told his employees who left in their group. But the overall meeting was why we had done it, uh, the rationale behind it, you know; our expenses were still way out of line, uh, that kind of thing. Um, so, you know, we got to the end of that. It was emotionally draining; it's always draining when you do a layoff. It was really pretty small, uh, when you came down to it. Thirty-eight out of, um, I don't know, 900 and some employees at that time, so, uh, minimal impact. But, you know, it had a ripple throughout the organization. Um, and our plans going into that was that was it; we're not going to have to do anymore. Um, and, uh, and then we started into 2008 [sic]. We had already done

our budgeting for 2008 [sic], so we had already budgeted. We knew how many, you know, we weren't going to do any hiring. We believed our business plan was going to be to hit all the, um, sales numbers we had to support our current employment. Um, but it really, um, became quickly evident that it wasn't enough. You know, we kept getting the calls—and it was my boss primarily who got the calls—"How many people have you laid off this week?" You know, down to part of what I was doing was, um, making sure every time somebody quit, man, we made sure we counted them, you know, as part of our reductions. Um, so there was a lot of headcount tracking. Which we, uh, we don't do position control, for example. So we budget for headcount. But, um, if you have a need, you make the case. It goes through senior management. You can budget, you know. You still have to try to hit your budget, but at our own location we will make exceptions to that. You know, it doesn't have to be approved by corporate. But, um, it, it started to become much more stringent in 2008. Um, so we started into the year; they announced a salary freeze, which we had not had that until that time.

Researcher: *They* being corporate?

Participant 3: Corporate. Um, we, um, uh, only for salaried employees. Uh, hourly employees, uh, we did not do it for. Um, and I felt good again about that, our lower paid employees not having to be impacted. Hiring freeze. They suspended our 401(k) match. Um, uh, I'm trying to think of other things. You know, they, they, there came some other kind of, uh, you had to go to corporate now to get headcount approved. You know that kind of thing. So it started to become tougher And, um, I don't remember exactly when in Decem-, January, uh, sometime, it became evident we were going to have to cut a lot more people. Um, we were looking at about 100 people at that time, uh, additional, um,

in our sales. Uh, the beginning of the year is always a dismal time for us. But our sales

were just much worse. And our location is as a supplier to other locations of my

company. So, um, we started to quickly become impacted by their reduction in orders,

um, and perhaps by the fact that they maybe had not made as dramatic of expense cuts as

they needed to early enough. Um, inventories, uh, you know. We provide raw materials

to them. And so they quickly, um, because of a corporate edict, you know, "Look at your

inventories." It quickly became evident that they were not going to be placing orders, you

know, for six months or something, which really impacted our business. And so, so we

started looking at it again. Um, this time, uh, I was able to make the case for a voluntary

layoff, uh, which felt really good. I'm not exactly sure what the difference was. Um, I

think maybe the emotional toll it took to do an involuntary layoff. I think, um, not just on

the people that you leave but on the survivors. I think in HR we realized the survivor

impact. I'm not sure all my managers did. Um, but, um, when I went back the second

time and asked about doing an involun- [didn't finish the word, corrected herself], a

voluntary layoff. Um, uh, so we did do it. So that's what we did in February. Um, and it,

there was a small involuntary. So, again, we had the targets by department where we had

to go. Uh, but, uh, this time I pulled together the entire HR team; told them where our

targets were; um, so everybody was involved. And I said, "Um, we're going to do a

voluntary." So we had done a lot of our homework, you know, for December when we

thought we were going to be able to do it. So we had a lot of things put together. For

example, we had an enhanced severance package.

Researcher: To incent people?

Participant 3: Um, so if you took a voluntary package you got two *and a half* weeks for

each year of service. Now that I think back, December might have been a little bit less.

I'm wondering if it was one and a half weeks [instead of two]. Um, so it was two and a

half weeks. Um, there was advanced notice. You had a period of time, a week to 10 days,

to decide. So we sent out a communication to every employee: "Here's the package." Uh,

you know, we had caveats in terms of…

Researcher: Can you stop for just a moment? So *every* employee? There weren't any kind

of qualifications for it; every employee potentially could take a voluntary?

Participant 3: Even our manufacturing employees, and, again, that was not where we

were looking to lose people necessarily, but with the recognition that it might get worse

before it got better and that, um, and that we could turn people down. So, if you had a

vital skill that was right for refusal. We might not accept it. And so, um, we kind of went

through a process where we put together the package, um. It was two and a half weeks

per year of service and your bonus. Um, which, again, we were into a new year. We pay

bonuses at the end of the year. Um.

Researcher: Forgive me. I had somebody I work with [laugh] trying to get my attention

on the other side of the glass. He spends an awful lot of time with me. [The person who

saw us through the glass opened the door and the researcher said to him, "Will you

forgive us? We are in the middle of an interview." He replied, "Oh, I'm sorry." To which

the researcher replied, "That's okay! I'm delighted to see you."]

Participant 3: Yeah. He looks familiar, um.

Researcher: Probably a neighbor.

Participant 3: [Laughter] Um, we put together a communication package where, you

know, 'here's the communication.' We talked to the manager first; and then we sent

everything out to the employees. The HR staff set up a process where employees who were interested in that had to set up a one-on-one meeting with an HR rep. Um, we said we were looking for about 66, I think, employees, or something like that; I can't remember the exact number. We had 250 employees come forward and express interest in it.

Researcher: How many was that?

Participant 3: Two hundred and fifty. And, uh, in the end, only, um, uh, only 66 ended up, that we accepted and that, you know, came forward. I think, um, maybe half of that 250 said they wanted it. And then we kind of went through a shuffling period because, say all the materials group in one group wanted to resign, we had to see if anybody in another business unit and could we shift people. So there was, it was a lot of work because we did open it up to all employees. We did not set any restrictions. Um, we did set a maximum. The most severance pay you could get was a year; which, um, I think anybody over 20.4 years of service was going to get maxed. Um, but, um, what ultimately happened is a lot of employees with a long length of service, um, did decide to take that. Uh, the purpose for meeting with HR was to understand their rationale for doing it. What were they going to do with their life moving forward? Did they have a plan? Um, or was this somebody that was, perhaps, in some financial trouble and was just looking at it as a big gravy train and then they have no plan for how they were going to get re-employed or anything like that. And, uh, so that was the purpose of the one-on-one meetings. And also to make sure that, this never happens, but that managers were not applying duress on some employees they wanted to take [the voluntary severance]. "You better take this; if, if you know what's good for you, you better take this." And, uh, you

know, that was our goal, was to make sure. And we tried to keep it as confidential as possible, so, um, you know, to the extent that, you know, an HR office is private. But employees, um, kind of signed up by their private employee number for a meeting. And a lot of our review of the list was by employee number, not by name, you know. So we really didn't want managers to know who was coming forward and asking about it because then we didn't want them to apply, "Oh, I don't want *you* to leave; but I want *you* to leave," you know.

Researcher: Right.

Participant 3: We were very conscious of that, and, um, we really didn't have very much of that, I think. But, uh, so it was, um, it was hell week for the HR staff, um, to really meet with all those employees one-on-one for 30 minutes to an hour to really explain the terms of it, what this would mean. There were some people that thought they could take a package and then they'd get rehired in six months. And we had to tell them we had no expectation of rehire, uh, until 2010, you know, maybe, you know, until we saw the recession being over, um.

Researcher: And HR folks met with 250 people?

Participant 3: Uh huh. So all of us, I mean, so that was another reason for letting the whole HR staff in because, um, you know, you couldn't, it, we had a short period of time to make, sort of make those decisions. So it was about a week, and, um, so everyone on my management team, I had, you know, recruiters who had been HR reps before, um, so we set up multiple locations so you could kind of, you know. Most people wanted to meet with *their HR rep*, but *all of us* met with employees to talk to them about it. Uh, we did have a number of people that were looking for early retirement. Um, a lot of the

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discussions with them were around benefits. Again, we were able to offer the, uh, extended benefit package, um. By this point, my Corporate office had gotten involved and said, "Uh, we can't be doing that." Uh, I said, "Yeah we can because I checked our contracts." Um, but they, you know, they were concerned about keeping them on the benefits that long. Um, uh, we did come to an agreement that, for this group, for the voluntary layoff, we were going to do that. From that point moving forward, we were not going to be able to do that anymore. But, um, I felt it was key to a number of the employees to be able to take it. You know, that 62-year-old employee, or something like that, that, really, if we kept them on benefits for up to a year and then they had 18 months of COBRA, they could maybe get to Medicare. And so that was a number of the employees that took advantage of it. But, um, so we met with the employees; we sort of qualified them to make sure they had good valid reasons for wanting this and they had a plan to move forward. Um, and then each business unit, or each group sort of looked at how many of those people could they afford to lose and still run their business. And, uh, that involved, "Well, if this group leaves, can I move this person over from here because they have other skills?" So there was a lot of shuffling back and forth. And then when we did that on a department basis, then we rolled it up as an entire organization. Um, for example, you know, were we losing every one of our people that had specific skill in the use of our technology? Um, so we did kind of review it as an overall level. Uh, and then, um, there were some, despite all those employees coming forward, again—because each department had to lose a certain percentage—there were some people that did not have enough volunteers. And so we did look at where we going to have to do some involuntary; and we did, uh, end up with 10 involuntary at that time. For example, in my

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group I did not have anybody volunteering, um, for the right reasons.

Researcher: Did you have to reduce?

Participant 3: Um hum.

Researcher: You did?

Participant 3: I lost another person. Um, but the net out of all of this was that the HR department, for example, only lost 15% of headcount instead of 25%. And so that's a little bit of an issue we're dealing with now, um, in that, um, you know, we've talked a lot about where we've lost people and what percentage. Some departments went deeper than they needed to. Um, as an HR staff, we said, "Why would you want to do that?" Um, they wanted to make sure they cut deep enough they would not have to do it again. And we, we couldn't guarantee that we wouldn't have to do that again. And, and we haven't, um, uh, since February, and it doesn't look like we're going to have to. Um, but, um, some people decided they were going to reorganize their groups to try to do things a little bit better, um. Uh, some took advantage. So they had more volunteers than the percentage they needed to, and so they did feel, "Like how can you say no? If somebody comes and says they're ready to leave, how can you say no?" And we coached them on this is how, "You, we really need this number of people to operate the business. Your skills are in these different areas." Um, and we did do a little back and forth in the HR group about, "Can you really afford to lose that many people?" Um, but, um, to this day, with the exception of one department, they all have managed. We have brought on some temporaries because this is our busy time of year. We traditionally are almost 15% temporary employees in the last quarter of the year. So in the last couple of months we've added temporaries. But, again, they'll be let go at the end of December. And that's

usually what we do. So we didn't end up hiring temporaries to replace full-time employees, maybe just for this three-month period is all we had to do. So, so, on, in February, we picked one day. So we announced it; we gave people about a week to thought [sic] about it. Then we thought about it for a week. Did all this checking and making sure we weren't letting go the wrong people. And then we announced the day that would be their last day of work, which was about 10 days, you know. So they worked for about 10, you know, from the time they announced their intention of doing it, it was about three weeks. But we had a whole schedule laid out for how much time we needed, you know, to let people think about it, um; let us think about it once we told them, you know, that, yes, we were accepting it. Then they had about another 10 days at work. In some cases, we extended that, um, another month because, uh, we couldn't afford to let that person go right then. But if we had a month to sort of cover, cross train, we could. So, uh, we had people leaving all the way through the end of March. Um, and, again, on their last day, it was their last day. I mean, it was just as if somebody was retiring, you know. We could have a celebration. Many departments chose to have big group celebrations to honor those people leaving. Um, we made an announcement that we accepted this many people and their last day was going to be, you know, the, the 28th or whatever. And, um, and, uh, and most of those people were really happy. You know, um, it was a tremendously different experience because they voluntarily decided to leave. And, uh, they were talking about, "Wow, I can move to Tennessee and live with my daughter." "Um, wow this gives me a start. I'd wanted to go back to school and finish my degree. I only need six more months full-time. I can do that." Um, and so it was, um, you know, almost a celebration of people being able to do something with their lives that they

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wanted to, and they were very vocal about it. And that was great for the people that were

left; there was no survivor guilt. Um, we, you know, uh, there were 10 people who were

involuntarily let go. And I did let go one of my staff, and that was really hard. Um, but,

um, again, the difference between February [2009] and December [2008] in my own staff

was, um, when I got the word that we were going to do the voluntary things, um, I called

all my staff together and I said, "Well here it is; we're doing it again. It's going to be a

voluntary layoff. Here's how we're going to announce it. But every department's got

their targets, and if they don't hit the targets, we may have to." And on the day I found

out I didn't have any voluntaries, I had to call everybody together. I said, "You know,

we have to lose, again, two people." Again, I only had to lose one, so I've been fortunate.

Um, and, you know, so for the next four or five weeks, everybody in my department

knew that somebody was going to get cut, that two people were going to get cut. And

they still say they preferred that to not knowing, the way we'd done it in December.

Researcher: Everybody, voluntary and involuntary, left on the same day?

Participant 3: Yeah, essentially.

Researcher: Except for those who had to stay another month?

Participant 3: Uh huh. What we did was on the day that we announced, um, we did the

involuntary people first and let them know. They, too, were allowed to, you know, go

back to their desk. They were a little more upset in some cases. Uh, and then people were

starting to ask questions, "Well why?" "Well, we didn't get enough voluntaries in all the

areas we needed." You know, because there was some of that. We didn't accept some,

um, and primarily where we did not accept all the voluntary was in the production areas.

We needed people to keep producing product. And so, you know, um, and we, we, it was

pretty clear, nobody from this entire department was allowed to leave. Um, and, uh, um, you know, but then other people, you know, so they would have volunteered, but yet they couldn't take the place of like a staff person that we really needed to cut. So, um, so that was, uh, it was an intense amount of work, um, but it was, again, a good experience. It was, you know, the ability to do a voluntary was, you know, for me, sort of a personal convincing kind of win. And in the greater scheme of things, you know, as I've spend a lot of time reading about what organizations do to prevent layoffs and things like that, um, you know, I think it sets us apart. A lot of organizations didn't do that. Um, and it was a combination of things. We also announced, um, furlough at the time. Um, I'm trying to think. I think we announced them both the same day we announced, um, a furlough that people were going to have to take some time off.

Researcher: Everyone, or…?

Participant 3: Uh huh. Uh, again, everyone across the whole organization, and that we were offering a voluntary at the same time. So we kind of rolled out this package: "Here's what we're doing for 2008. [Participant 3 mis-spoke by saying 2008 instead of 2009.] This is what we're rolling out." That's the time we announced the 401(k), uh, reduction, uh, that we weren't matching 401(k) anymore. Um, in the furlough, we got really creative, barely legal, I think, but I worked with a lot of attorneys. In terms of what we did was we took, um, uh, every other Friday off in February, and then every Friday off in March. And, for exempt staff, we got really creative, um, in terms of how we did it looking, working with FLSA [Fair Labor Standards Act] and things. And essentially what we did is we did allow employees to take PTO [Paid Time Off] time if they had it. If they didn't have it, we allowed them to go in the hole. So, it's a funny kind of thing, but

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people actually didn't have to go without pay because we did allow them to go in the hole, which we usually don't on PTO. So financially, for those people, um, so we really didn't save as much money as we wanted to, but we did, um, we did buy down a huge amount of liability on our PTO accrual. You know, we had maximums and things, but, again, with long-term employees, yeah, we had a lot of vacation accrual. And that's been one of the bad things we've had; we heard on this year's employee survey is that employees don't get a chance to choose their PTO anymore. They have to save it in case there's another furlough.

Researcher: That's interesting.

Participant 3: Yeah. And so, uh, for 2008, we did announce a Christmas shutdown for a week, two weeks. I'm sorry, two weeks. We actually shut down almost all the organizations for two weeks. Because of our paid holidays, you really only ended up having to take like three vacation days to get two weeks off from work. And, uh, yeah, that was great. Um, so people actually, you know, we tried to spin that positively, and we gave them five months' notice, uh, that that was going to happen. So they had a chance to save their vacation time and things like that, um, cancel other plans that they might have had, things like that. But it was a tough year because between furloughs; so there were six days, six days that you had to take as furlough days in the first quarter and then, um, another three or four days you had to take in the last quarter of 2008, um, uh you know, for, um. Let me think. Christmas 2008 and then 2009, early February, and March, you had to take four furlough days. There were some people that had to work and got to work full-time. Um, we actually, um, there were some critical skills, for example, um, our IT department, um, they did not have enough, uh. Some departments we said it, Customer

Service, for example, you have to answer the phones five days a week. Uh, we tried to rotate it so everybody took a day off; it was just a different day. You know, so they worked on the Friday, but then they took a Monday off or something. But in our IT group, we did not have enough bandwidth. We had to, um, everybody worked, um, in those groups. So there was a little bit of grumbling, "I want to work," you know. Um, but even the management, you know, we all took furlough days, and the president set a good example for that, so. So, um, so that was actually, overall, a much better experience than the December time frame, um, and it, it was our last experience. We have, we did just recently announce a Christmas furlough for this year. People were sort of expecting it. Um, you know, we have had wage freezes, the lack of the 401(k) match. Again, um, we recently went through a process we call, um communication of goals. It's sort of a part of our strategic planning where each group does their, uh, strategic planning, and then that feeds into their budget. And then we do feedback things about "Here's what we're budgeting for." And, uh, without fail, every department said we hope we can get back the things we lost and benefits when we can, but we understand why we did it. Um, it was, you know, we, um, I, my, my group sort of designed the communication of goals. And one of the things I said, "What should we bring back? What are we really missing that we've cut?" Um, just making sure we weren't cutting off our nose to spite our face with all the budget cuts and everything. Um, for example, one thing, um, that was really pretty important was continuing to fund our ESL [English as a second language] classes. We have a fairly large, um, uh, population that doesn't have English as a primary language, and, um, training, overall, the ESL, specifically, was one thing they really wanted. Um, you know, everybody wants their pay raises back and the 401(k) and things like that. But

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we were looking deeper than that for things that might impact our competitive advantage long term. Um, and we didn't really get a lot of, um, surprises there. I think we've made good choices, um. We have shifted our focus from development of brand new products to development, um, enhancement of existing products. Uh, we've definitely cut back on our, our, our R and D [Research and Development] budget. Um, and I think that is going to impact us long term. You know, we have a strategic goal to introduce a new product every five years, or have one ready to introduce every five years, and I think we're going to miss that. Um, uh, we're suffering a little bit productivity-wise because we've decided not to update some of our IT hardware and software. We're on a nine-year replacement cycle on our PCs right now, and, um, you know, that's hurting us a little bit productivity-wise. Uh, and so our IT department came back with, you know, "Here's some small things you can do to help. You know, set your pro[didn't complete her thought], your computer to boot up, um, early in the morning before you come in, you know, so it runs all its virus checks and things like that. You know, defrag your hard drive when you don't ____," things like that. Um, so they, yeah, you know, but that's, um, a productivity cost that we think we're seeing. Um, we have a lot of people doing two jobs right now, and, um, surprisingly, um, you know, again, people said replace some of the key positions we've lost when we can. Um, uh, you know, I'm, uh, I lost a safety manager through attrition, and so, um, I'm actually spending most of my time on the safety side right now versus the HR side. Um, you know, which has pros and cons. But, um, uh, three of us on the senior leadership team are doing two jobs right now, um, because we lost managers in our groups through attrition, and we've decided to take over their roles. Um, you know, so we joke about, you know, and all three of us have two offices. You know, we have our

regular office where we're supposed to be working and then sitting in the other person's office in some cases in another building, so, um. And there's [sic] a lot of people that are sort of picking up the work of two people. You know, if you have five buyers and now you have three, they're all probably doing more than one person's job. Um, the volume hasn't really dropped. In fact, in our materials group, that's probably gone up because of some other cost reduction efforts in terms of inventory optimization and, uh, risk mitigation for second sourcing and things like that. They're probably doing more work, you know.

Researcher: Was the involuntary, or excuse me, was the voluntary option open to everyone in the organization *including* the senior leadership team?

Participant 3: Yep.

Researcher: And…?

Participant 3: Um, I thought about it. [Laughter] I'll be honest with you; I really thought about it. Um, and I did have one of my managers come forward and, uh, volunteer for it, but she was doing it for the wrong reasons.

Researcher: Say just a little bit more like about that, because I can make something up easily.

Participant 3: She was doing it to try to save somebody else's job, um, and she was. [The public address system announced the library would be closing in 15 minutes.]
Participant 3: Oh my gosh.

Researcher: We have a few minutes [before the library closes].

Participant 3: Um, her skills were greater to me than, um, the person we were looking to lose. And it was simply a matter of experience, somebody who had fewer years with the

organization, fewer years overall in HR, and pretty much strictly as a, um, benefits

administrator who had been a rep for maybe a year. Uh, the manager that came forward,

um, had been a rep, was now running my recruiting team, which, um, I had fought pretty

hard to save my recruiting team because I know when we come out of this, um, there's

nothing that people want more than to hire the right person at the right time. And I've got

a great recruiting team. We have very low, um, recruiting errors, you know, that kind of

thing. Um, one of the recruiters went over to the Safety department with me to replace a

person we'd laid off. Um, and, uh, one of them actually took an extended maternity leave,

and when she came back, she came back part-time; so she has, you know, reduced hours.

Um, and they're both working in our training group, which is one place we did not cut

our budget. So they shifted over to my training group, which had been short-handed since

'07. So, you know, I moved some people around. Uh, both the people that were

recruiters, um, my recruiting manager and one of my other recruiters, had both been reps

at one time. So during the layoff, for example, they were meeting with employees and

covering this, and they covered the groups they had covered before, you know. So, uh,

when somebody in that group said, "Well, I don't, you know," they could look at it and

say, "You don't have any other engineers of this type in this group." You know, they had

experience with those groups. So, um, I'm not sure everybody accepts that, um, that

along with the fact that I've only cut 15% of my workforce, um. And I just dig my heels

in. If you tell me I got to cut, then get rid of the company driver; and so, he's still there.

Researcher: Is there anything else? I know, you're, you're, I'm sure you're feeling the

pressure. "Oh, we've got to get out of here before they shoo us" [making reference to the

fact a voice was coming over the PA system to announce the library would be closing shortly].

Participant 3: Yeah. Yeah. Um, I think the one thing that I haven't gotten to is probably the residual impact. So now, that was a pretty good experience in February. We haven't had to do any layoffs. But, um, dealing with the lingering morale impacts of all of our employees. And, specifically within the HR group, the concern that we didn't cut deep enough; is somebody going to come back and ask to cut, um, and the uncertainty, um. In my group, I have those of us who are conflict avoiders or bad news avoiders, and we would just as soon push it out as long as possible. And I have those people who said, "Let's just cut it out. Let's lay 'em off now so I don't have to think about it, if it's going to happen." Um, and so, you know, I've, um, uh, I've argued for them. I'm not going to do it until somebody tells me I have to. And our business looks like it's aligned. It's been aligned, uh, since about April. We've been aligned at our expenses and our revenues, and, unless the business takes a big dip south, which it doesn't show any indication of doing, we're probably appropriately staffed. We're going through budget reviews right now for 2010. And, um, you know, our level at our division have gone through without, you know, a flat. Uh, we have to go through the Corporate level. We have gotten no indications that we're going to be asked to cut any more. Um, so, you know, uh, people are still worried about if there's going to be more. And I, there's no way I can guarantee that there's not going to be more for the whole organization. But the stress of doing two jobs or extra heavy workload or making do without resources you need, um, it's taking its toll after an extended period of time. You know, for some people, since October of '07, they've been maybe doing two jobs, um.

Researcher: So let me ask. I don't want to end our conversation prematurely. I also want to balance that with, you know, you just told me you're doing two jobs. I, have some idea, having worked in different HR departments with three different companies now, what's involved. In all cases, I put in an incredible number of hours. Do we want to schedule another meeting for a short period of time or would you rather not? You don't even have to decide at this moment. I just don't want to, I don't want to cut you off pre, prematurely or get into something that…

Participant 3: So ask me the question again, your one question again.

Researcher: Yeah, I just…

Participant 3: What's, what's the overall question that you were…?

Researcher: Do you want to schedule a little more time?

Participant 3: No, um, of the whole dissertation.

Researcher: Uh, it was, so would you describe, in as much detail as you possibly can, your most recent experience as a Human Resources manager responsible for implementation, the implementation of your corporate downsizing initiative?

Participant 3: Um, so I've described, I think, in fairly, um, detail about the downsizing that we did, the most recent downsizing. Um, I don't think I've touched, um, on the impact we're having today.

Researcher: Residual, you said.

Participant 3: Uh huh.

Researcher: Yup, and that's what I'm wondering about.

Participant 3: Yeah. So that, that's probably worth some more discussion, if you're interested in hearing it.

Researcher: I would. I would really like to. Um, so let's, let's stop.

Participant 3: Okay.

Participant 3, Second Interview. Researcher: So it's now October 6, and I am having the following conversation with Participant [3] and with that said I will just let her begin wherever she would like.

Participant 3: So ask me the question again.

Researcher: Okay. Oh, I can do that. All right.

Participant 3: Yes. It's only, yeah, it's a good prompter.

Researcher: Good. So tell me in as much detail as you can about *your* experience as an HR manager responsible for implementing your company's downsizing initiative.

Participant 3: Okay. So, I, um, think last time we talked a lot about the logistics and sort of what we went through, but, um, but I think the one thing when you initially contacted me, or I contacted you, whichever, um, was thinking about sort of the emotional impact on the organization and specifically the HR [Human Resource] team, and, um, that has been on my mind a little bit lately.

Researcher: Um hum.

Participant 3: And then, um, yeah, last week I was actually at an HR conference, and so, you know, talking to some other people about that. Um, so I think that's sort of, um, in all our preparation, I guess, or looking at best practices and how you manage down an organization like this; it's the one thing I haven't found, um, a lot of assistance on.

Researcher: Um, uh hum.

Participant 3: And it is interesting because we, um, for our employees and, you know, both the ones that left the organization and the survivors, uh, we talked a lot about

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survivor guilt and emotions and, um, you know, focusing primarily first on the folks that left, you know, having services like EAP [Employee Assistance Program] around and, um, following up with employees to make sure they were okay.

Researcher: Um hum.

Participant 3: Um, but I don't think we really, you know, when we talked about survivor guilt, we sort of talked about the general rank and file, I guess, most of the employees, um. You know, there is, you know, there is a whole gamut of reactions from, you know, "Thank God it wasn't me" to "Why didn't I get picked?" And that seemed fairly immediate and fairly short term after, you know, the, the layoffs that we did. Um, and we did some one-on-one; I guess the HR reps did some one-on-one with the managers that were most involved, depending on who the manager was and how they seemed to take it. Um, you know, particularly those that were involved in the planning and the choosing, if you will, of who was let go, um, making sure that they were dealing, um, with it alright. So, you know, I thought about sort of the stages of grief, you know, and, and, um, you know, you go through different stages, and I'm not sure if it is exactly applicable. But we seem to have gone through the, um, yeah, I don't know if we ever went through denial, it was kinda part of that. We kind of went through the grieving process. But now we're— and I'm not sure I have the stages right—now it seems like the organization is sort of in the acting-out stage, you know.

Researcher: Um hum

Participant 3: Um, not being sure how to deal with, uh, the emotions that continue from this, and, um, you know, exhibiting bad behavior. And you know, if you have been in HR for awhile, you call it the "full moon syndrome," or you know, things that that. Where it

just seems to come in waves, you know, um. And I think I'm surprised that it's taken so long, you know, given our first real shocking layoff was December; the last one was February, you know. So here we are in October, eight months later. And, um, we were, sort of, on guard for, um, increased absenteeism, increased worker's comp [Worker's Compensation claims], you know those kinds of things, um. But I think we were surprised a little bit by, um, employee relations issues, you know, disrespectful behavior, or, um, you know, inappropriate language, things like that, because we would have thought that people were worried about keeping their jobs. You know, so it keeps people on their best behavior.

Researcher: Um hum.

Participant 3: But I think the time factor, for, is, is what seems to be the catalyst here.

Researcher: Um hum.

Participant 3: It's, ah, time keeps going on and things aren't getting better. They're not getting worse.

Researcher: Um hum.

Participant 3: But, um, and, you know, so bringing it back to the HR team, I think we're a, we like to say we set the example or the stage for the rest of the organization, um.

Researcher: Can I ask a clarifying question, because I don't want to make up something that is inaccurate? When you said time is going on and that things aren't getting better, they're not getting worse, but they're not getting better, um, so I am inferring you mean in terms of people's behavior, not what is happening with the business.

Participant 3: Actually, I am talking about what's happening with the business.

Researcher: Okay, good, thank you.

Participant 3: Um, you know, we are sort of in this—what's the right word?—um, business is not getting worse; it's not getting much better. You know, we're sort of, um, flat, you know, and, um, you know. And it's sort of like the biding time thing. You know, there is nothing much we can do except wait it out, the economy and things.

Researcher: Yeah.

Participant 3: And, uh, you know, there are some things we can do in terms of sales promotions and things like that. But we are not being asked to cut any more money, you know, which is good. You know that would be a bad thing to do.

Researcher: Um hum.

Participant 3: Um, but we are not really seeing signs of hope, you know. And for those of us in HR, and I think for a lot of people, it's spending money on things like hiring people.

Researcher: Um hum.

Participant 3: Um, maybe a little crack in the door just starting on that. But, you know, so, for probably the last eight months, we've, um, not been cutting back any more expenses or people, but not been adding them either. Um, we've not been cutting back on some things like, any more, on employee events or training or anything. But we're not ramping that up either.

Researcher: Um hum.

Participant 3: You know, and so it's sort of this, um, I don't know if *stasis* is the right word. It is just sort of a suspended animation where you don't know.

Researcher: Um.

Participant 3: And I think, um, I think that sort of the, it feels like that's the dynamic that's sort of impacting the organization.

Researcher: Um hum.

Participant 3: And I think the outside influence that's making it worse is, you know, outside of our organization, it's not getting better either. You know, sometimes that gives people hope, um, "Oh I can go look for another job now," you know. Um, but the recent unemployment numbers are not good. I mean, [State Name] has improved a little bit. But, you know, nationwide they certainly aren't good. And, uh, we haven't really seen, you know, big changes in the housing market, which drives a lot of our business. Um, so it's sort of this waiting, you know, for *something* to happen. Um, and it feels to me like, you know, that waiting is a hard thing to do and some people sort of create their own, um, catalyst, you know, um, so, you know, with the general population. And within my own team, um, you know, I, I'm not sure. I mean, one of those things we *definitely* identified is sort of a breakdown in communication. Um, we aren't, um, communicating with each other on the team quite as well. Um, you know, and that's why I have been, you know, the thing we look to is, you know, what's causing it. And, uh, I think, like a lot of people, we look at, well, you know, it's that person, or you know this person is afraid of losing their job, so they're acting out. And, um, I think what I started to realize is okay we need to look at ourselves, you know, each individually first, and what are we doing differently, before we start pointing fingers at others, but definitely that finger pointing. You know, I think, um, I like to pride myself, we have a pretty, um, good working team. Um, and all of a sudden the ugly head of competition, you know, um, manifesting itself in everything from "That person is not working as hard as," you know, [to] "That manager's people aren't working as hard as my manager's," you know. So the, um, you know, the rep, the

generalist team is working way harder than the training and recruiting team. And um, and some of that is true. I mean, there isn't as heavy pressure on the recruiting team.

Researcher: Um hum.

Participant 3: On the training, we're actually struggling and we haven't cut our budgets very much there. We're trying to get people into training. But, um, it's another area where the organization is not really, they're like afraid to step away from their jobs and go into development, um.

Researcher: Um hum.

Participant 3: So a little bit of that competition, which, you know, in nine years I hadn't really seen. With some different players, we saw it a few years ago, but not with this team, you know, that we've got, um.

Researcher: Yeah.

Participant 3: And, um, one of the other dynamics specific to the HR team was sort of the concern, uh, that we hadn't laid off enough people on our own team. And, um, I, I think people are sort of imagining that, you know. So we did do an analysis which shows, I think I talked about 20% cuts generally, and you know HR only lost 15%. And part of that was because I was told I couldn't lay off some of the people I wanted to, and wasn't told to make up for it, um. But it's almost, um, you know, instead of being—and I think we had this initially—instead of being grateful that we hadn't lost as many people, now there is almost a resentment around it. Which, you know, kind of floored me. Where is that coming from?

Researcher: Um hum.

Participant 3: Uh, and, uh, you know, so that, that's another dynamic, the not talking to each other. I don't know which came first. But, um, you know, it's certainly the dynamic of my own role; I have sort of shifted and taken on, you know, a hands-on role in one of my departments, and physically moved out of, you know, what used to be my office into another building.

Researcher: Did you say that was EH&S? Am I remembering correctly?

Participant 3: Ah, ah. Uh, huh. And, um, you know, so when I started looking at myself holding up the mirror. I'm like, "Okay so I'm not here," you know. Um and I thought, "Well don't be so egotistical; it isn't just about me." But I am starting to think that there is that dynamic, um, whether it's me as a leader, or me as a person, my personality. I haven't quite pinned down, probably a combination of both. Um, but there is another woman who sat in the, you know, one building, and she moved over to EHS with me, and, um, hers, it wasn't so much the role. She was, you know, a professional, you know, not in a management position. But the dynamic changed dramatically. I mean, um, she was very extraverted and, I mean, in a building, you know, a department full of extroverts. But, um, it's interesting. People used to sort of resent a little bit her playfulness because we had so much work to do. Um, but now that it's not there in that building, um, you know, it's like, um, a pall has fallen over them.

Researcher: And she was part of HR, and is part of HR?

Participant 3: Uh hum. Um hum. Now, you know, I love the energy she brings over into the EHS group, you know. And, and she is doing good work there. But she can't be in two places at one time. So that's what made me think it was partially personality too.

Researcher: Yeah.

Participant 3: Um, you know, so there is some, those are some actions, you know, in which, you know, those, myself and her moving into this other building, were directly a result of cutbacks, you know, not so much layoffs specifically, but the whole economic downturn, um. And a little bit, I think of, um leadership. You know, I had, I think I had not communicated very clearly that I expected my leadership team to sort of fill the void, um, with me not being there, as sort of the leader of the group. And, um, you know, the only thing we communicated clearly on that was sort of the nuts and bolts. You know, who needs to approve what and what things am I not going to be involved in. But it was, ah, I actually, we actually talked about this last week. Um, we didn't go through everything I did, you know. We only went through things needing signature or approval.

Researcher: Um hum.

Participant 3: Um, and so, uh, I'm trying to think of an example, but, um, you know, budgets [sic] is an easy one because I, I sort of had delegated that as a kind of development opportunity to one of my managers. But, um, uh, coordination and communication among sort of the functional areas. So, you have your comp [compensation] and benefits group; we have our recruiting and training group; we have our generalist group. And, um, we have continued to meet every other week, sort of—I call that the leadership team—to kind of coordinate things. But there was always a great deal of communication going on, uh, amongst the four of us, because we all sat in the same building, on a constant basis, you know. And, um, I took myself out of that building, but the other three of them were still there, and I just assumed that communication was happening, and it's not.

Researcher: Interesting.

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Participant 3: Um, you know, so that's a symptom of, I'm not sure what problem. But, um, you know, so things aren't quite as coordinated, which of course means some resentments over, "I didn't know you were doing this," and some people duplicating efforts, and, um, and surprisingly, people sort of just digging in. You know, I have one person, um, that became very angry about it and tried to reach out and mend bridges, and that didn't happen. So she felt rebuffed and so, um, you know, resentment, really strong resentment. The woman who rebuffed her, uh, was sort of like, "Okay, tough times. I'm just going to, you know, soldier through this," and kind of ignoring that tension. And the third one is somewhere in between. [Laugh] You know, so, um, and, you know, initially I thought, "Okay that's our little dynamic in our little team." But as I paid more attention to what's going on in the rest of the organization, I think it's symptomatic of what's going on.

Researcher: Um hum.

Participant 3: Um, the blaming, the resentment, um, and I don't know if that's part of the stages of grief or not. But, you know, you go from worrying so much about people that maybe you worry so much and now you're, I don't know if it is protecting yourself, or lashing out more, you know.

Researcher: Um.

Participant 3: I heard another story today about one of our, in another functional area, director who just, she got scolded and promptly, you know, rolled it downhill and just dumped on her manager. And, um, you know, as I started thinking about it, I'm like, "Yeah, that is sort of what's going on in our team too," so, um. You know, I think some of it may be specific to the HR group because I think we did carry a lot of the

implementation of this. But I think some of it is a little broader in the organization. Um, and as I talked to some people at this HR conference, the whole, um, so, I think there is something within the HR group. Because a lot of people are sort of struggling, whether it's doing more with less, or um, worried about our peers who are out of work, um. But it seems like an awful lot of us are in coaching right now. [Laughing]

Researcher: Aha. [Laugh]

Participant 3: Um, you know, and, and sort of discouraged because we're not doing the cool, fun stuff anymore.

Researcher: Um.

Participant 3: And, um, you know, somehow we haven't realized that.

Researcher: What is the cool, fun stuff?

Participant 3: Hiring people, getting people promoted, developing training programs that help people move up, um, introducing new benefits, making people happier at work, you know, um. Employee opinion surveys have gone down, you know.

Researcher: Um.

Participant 3: Um, uh, strategic planning, where you have some resources to be able to move forward with things instead of, you know, we had to kind of modify our mission a little bit, you know, maximize profitability while we are trying to do all these great things, you know. But that got inserted at the beginning of our mission statement, uh, and it was a reflection of the truth, you know. I mean, we sort of talked about the fact that we weren't really focusing on our strategies, so let's just say that, you know. But, um, yeah, I mean, you know, we've always been a profitable organization and money has always been important, but it's sort of not been the driving thing. You know, and the worst part

is, you know, we're still making a profit. I mean it's half of what we used to do, but it's not like we're destitute, you know. Um, and I think there is probably some resentment around that.

Researcher: Right.

Participant 3: I know there was on my part, um, early on when some of the decisions to like layoff people. But, you know, but we can still make payroll, you know.

Researcher: Um hum, um hum.

Participant 3: Yeah so, you know, I would tend to go a lot longer without doing a layoff, but, um. Yeah, so sort of struggling to find the cool things to do.

Researcher: Um hum.

Participant 3: Um, you know, we're all sort of trying to survive, trying to help our organization survive. Yeah, realistically, trying to hang on there for the most part, and um.

Researcher: [Sneeze]

Participant 3: Yeah, and, uh, so, you know, us reaching out, you know, "physician heal thyself." You know, in terms of trying to get, um, help for coping with this.

Researcher: Um hum.

Participant 3: And, um, you know, previously in my career when I'd sort of hit a bad patch, like that just with the organization going on, I looked outside to like volunteer opportunities and that sort of gave me the jazz. Um, and so this conference was put on by a volunteer group and, um, uh, you know, thinking whether that was giving people enough of, um, fun stuff to do. And yet, even with that, and it was a successful conference, um, you know, finances aren't in, but lots of positive comments while you're

there, you know, lots of accolades. Um, I didn't find that uplifting thing. It was still, and you're going to find this, you know, "Phew, it's over." Um, and, uh, I'm involved in the volunteer organization as a leader so, um, you know, I am kind of looking for that. And there was recognition and that kind of thing. Uh, probably not as tense as I've seen, you know, at this kind of conference before, where people get all, you know, nervous and anxious about things happening. But there also was not that sense of celebration, you know, um. And so, you know, I noticed that with this, you know, group of 30 people, that there wasn't quite that sense of celebration.

Researcher: Um hum.

Participant 3: You know and I am wondering if that's a, you know, a symptom of how we're all dealing with this. Did I see anybody who is, you know, there's always a wide range of personalities.

Researcher: [Sneezing and coughing]

Participant 3: There are always the people that are sort of Pollyannas and everything seems great, and no harm. I didn't see too many of those. Um, you know, I think a lot of people um, I know for me, so maybe I'm projecting, it was great to go out and see sort of my professional colleagues, you know, in a, and be away from the day-to-day firefighting, you know, so any of those kinds of things. And, and my guess is fewer people are doing that kind of thing, you know. So maybe all that, um, food that we need, you know, fun stuff to do—learning opportunities, going to conferences, stepping away from the office—maybe we're, you know, really feeling the impact. Those things felt like nice to haves; maybe they're really necessaries, you know.

Researcher: Uh-hum.

Participant 3: Um, in my own group, it's one of the things we've recognized this year versus in 2008, where we have consciously tried to focus on training and development, and development opportunities for the HR staff, as well as the rest of the organization. But I think we've been more vocal about, um, you know trying to allow people the time, you know, trying to push people to really think about, you know, investing in yourself. Um, you know, but, uh, the rest of my organization hasn't.

Researcher: [Sneeze, cough]

Participant 3: And, you know, I just wonder, in general, um, you know, there's probably some guilt with that, you know. "I've laid people off; I can't go to a conference," you know, um.

Researcher: Hmm.

Participant 3: So um, so that's the thing I think, um.

Researcher: Please say a little more about that.

Participant 3: About the guilt?

Researcher: Yeah.

Participant 3: Um, you know, more than, you know, people have different ways on how they legitimize expenses, or what they spend money on budgets, um. But when the alternative is somebody losing a job, you know, it's a bigger decision, um. You know, and I think, we, my organization made a lot of the right choices to cut that. And even on the training, you know, which we are sort of bucking the trend, you know, that as I read surveys that a lot of organizations are cutting; it's one of the more common cost cutting things. Um, we really wanted to focus on that and still do it. Um, but you always gets those little snide comments, um, "Well, you're going to a conference, wow, in this kind

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of day and age." I think we didn't, my team didn't get a lot of that because, um, you know, two of my folks worked on the conference as volunteers, so they got to go for free. So my way of getting around the guilt was I paid for it myself. Um, and we only paid for one staff member to go, um. And even then, you know, we all slept for free, you know, with other people that we knew that were going up there. So, you know, we tried to do it, and there were no meals, so we did it pretty low budget. Um, but, you know, over the course of the last 18 months, there has been a lot of, "I can't believe we're spending money on that." You know, and the most recent one was, you know, one I wholeheartedly agree with; the comment was, "I can't believe we're maintaining executives' cars in this economy." I'm like, "You go," you know, whoever circulated that anonymous note.

Researcher: Of course.

Participant 3: But, you know, so that's where some of the guilt comes from. It's just sort of that, ah, what the organization thinks of what you're spending money on. And, and, like I said, I think overall we've gotten pretty good feedback that we're spending it on the right kinds of things, but there is always those little resentments. Um, you know, and I think most of the executives that got this anonymous note were sort of, you know quiet about it, and so, "Oh yeah, maybe there is a point." But there were a couple who said, "Well, you know, it's part of my compensation package." And um, and you know that's the tough thing. We've got a hiring freeze; we've got a wage freeze; we've got 401(k) match, you know, gone and going away. So, yeah, well everybody's taking a hit in the pocketbook, you know, um. And, yeah, you know, are we more martyrs at HR than, um?

Researcher: Um hum.

Participant 3: You know, you think about the kind of personalities that are driven to certain, um, fields, and I think HR does tend to attract a lot of people in the helping professions, you know.

Researcher: Um hum.

Participant 3: Um, is that a common thing in other helping professions, too, where people don't take care of themselves; they are going to take care of others, um? Are you more concerned about the other person than yourself, and so is that part of this, um, emotional stress that HR people are feeling more than anybody else, um? Yeah, I don't know. I haven't seen it addressed for HR people as a group. I mean, I think individually people are looking at it, um. But really until you, you know, I saw your question, is really what prompted me to think about it in the group, you know.

Researcher: Um hum.

Participant 3: "Okay, *I'm* struggling." Or, you know, and then every individual has, you know, their own issues going on. You know, whether it's an empty nest, or trouble at home, or, you know, marriage or something like that. And so, um, you know, I think we tend to look at, or, you know, the other person, you know, blaming the other person for our own certain stresses that we're going through. But is it just the act of being an HR person in this kind of tough economy? And, um, you know, you have to be of a certain age to have gone through this before.

Researcher: Yes.

Participant 3: Um, and in my group, for example, I'm about the oldest one there. So, ah I think there are only two of us baby boomers, you know, um. So I'm not sure that anybody else has ever actually gone through this kind of thing.

Researcher: And you started by saying that you went looking to see sort of what was out there. You used the expression, "not a lot of assistance available," and didn't find much except, you know, uh, EAP, for people who had been let go, but for those of you in HR, who…

Participant 3: Yeah. Right. Right. There are things about dealing with your company, dealing, you know, with how to treat people well when you lay 'em off. But um, a lot of us on our team did sort of research on what's the best way to do layoffs. And, um, yeah, there is just not a lot about taking care of yourself, you know.

Researcher: As an HR professional specifically?

Participant 3: And um, yeah. You know and, uh, yeah, I mean, you know like everybody else I probably struggle to stay on top of things, but, you know, the HR periodicals, and subscribe to a few blogs, and, uh, and things. And [there's] a lot about what companies are going through; how HR can make themselves more valuable in this time frame, how HR can help the people being laid off.

Researcher: Uh hum.

Participant 3: Not a lot about how to take care of yourself as an HR person.

Researcher: Um hum.

Participant 3: I don't think I found anything, Um, you know, so that's, I think, that's a gap. And maybe because we've been on this peak, you know, economy for such a long time and we haven't had to deal with it.

Researcher: Um hum.

Participant 3: But, you know, some of us have been around through this before [laugh], and I don't know if we just, you know, um, buried the bad feelings from before, or you

know. I was yeah, um, yeah, it's probably been 15, 20 years, you know, since I went through it. I was a lot different then, you know. Did I even worry so much about how I was dealing with it? And maybe I was at a different level, as well, so I more executing and not so much implementing. I certainly didn't feel the responsibility that I do now for, um, helping make or implement these decisions, or not coming up with enough alternatives, um. And I think the folks taking it the hardest in my group is [sic] sort of the folks probably in their late 30's, early 40's. You know, younger than that, they, they, at least I haven't seen it, um, seem to be struggling quite as much.

Researcher: Why do you think that is? Have you thought about that?

Participant 3: Um, good question. I think part of it is not having that, um, sense of responsibility quite as much.

Researcher: Um, okay.

Participant 3: Um, you know they, they were more involved in executing the plan, or thinking about how to make it easier for employees. But they weren't involved in setting numbers and targets, although they did work with the managers on who was going to be let go, so, most of them. I don't know. Yeah, like I said, I don't remember it bugging me quite as much before, so, hmm, good question. Um, you know, and I talked a little bit about the emotional impact on rank and file, the HR team, and then also on the executive team, you know, that senior leadership group. Um, I think, um, you know, so other people in my position and different functions, whether it's a business unit manager, or the president of the company, uh, are struggling, you know, I think, as well, um. And again, that group, you know generally, you know, the VP's of the company aren't the ones telling people to go; it's the managers reporting to them. But, you know, the decisions

and how we are going to do it, whether we should do voluntary or anything, those were all our decisions. Um, yeah my boss, the president, you know, I've seen him get busier and busier, harder to find time with, um. And his, you know, he's dealing with the pressure from our corporate headquarters, so he's got a lot of that, that he shields us from. You know, so, um, you know, and I think the rest of the folks uh, you know, there's three of us, and then out of 10, that are doing two jobs, you know. So you wonder the toll that takes, um. There is, um, you know, to contrast to my own department, in that group I am probably one of the youngest ones, um; so they're all, you know, within retirement age, pretty close. You know, it's visible. And, you know, I am far enough away from that I haven't really stressed about that putting off. But there are a number of folks I think that have put off their retirement plans, um, because of the economy. You know, 401(k)'s and pensions, and how that's all doing.

Researcher: Um hum.

Participant 3: Um, you know, so we haven't really addressed that as an organization, um. You know, what does it feel like to put off your retirement plans? And I think some, you know, they are dealing with it in different ways. Some are taking more time off, you know, um. Yeah, again, I don't, I haven't seen much you know about, um, how to keep your team feeling good, you know, and setting that tone for the rest of the organization.

Researcher: Um hum. You've talked throughout this afternoon, um, as you talked about groups of people—whether it was the HR department or now the executive team, or the organization as a whole—about some of the impact on you. Is there anything else you want to say about the impact on you?

Participant 3: Uh hum. Um, um, you know, I think part of it was you just expect to feel bad when you're going through this [tearful]. But for how long, you know, so that time period thing? Um, you know, eight months later, how come I'm still struggling with it?

Researcher: Um hum.

Participant 3: Um, and I think part of it is, uh, for me, I tend not to recognize when I'm stressed.

Researcher: Uh-huh.

Participant 3: So I think that's the part I've come to, uh, realize. Um, and that was the part that actually, in talking to some of my colleagues last week, that I realized how many of us are in that boat, where we worry so much about the teams and everybody else that we're not looking at ourselves [still tearful]. And so, um, I sort of reached out a little bit more in terms of working with a coach, um, you know, going to see a therapist again, um, talking to my colleagues more about what they're feeling, you know. Even this exercise is sort of a venting kind of thing. Um, yeah, and maybe it's just delayed grieving for all that.

Researcher: Um hum.

Participant 3: But maybe it's just everything else; it's worrying about all those groups, you know. Yeah, um, and how they're doing.

Researcher: Yeah.

Participant 3: Um, it will be interesting to see what, what we all do as we come out of this, you know, as the economy gets better.

Researcher: Uh huh.

Participant 3: I know, I, um, talking to some of my colleagues, you know, our people, you know we talked about whether our organizations have responded well, whether we can continue to work for those organizations. And there is certainly the dynamic of, you know, if you haven't lost your job, but you don't agree with the way your organization has handled it, you know, you're going to take the first opportunity to look for another job. Um, in that regard, I think, you know, what was the latest statistic, 56% of people are going to be looking for another job once the economy improves? It is; it's a high number.

Researcher: Gee, I had not heard that. That's interesting.

Participant 3: Um, we've talked about that internal, um, to our organization, in terms of who are we going to lose? And one of the things we did focus on was trying to do this right, so we wouldn't lose people as the economy got better.

Researcher: Uh-huh.

Participant 3: Um, but the other dynamic is, depending on what segment of the economy you're in, different people come out of recessions at different times, And, um, [State] in general, tends to lag. And then, um, I'm not sure, I think our industry, you know, we were sort of late getting into the recession, I think. And so, uh, we may be late coming out of it as well. And so there will be that, "Grass is always greener on the other side." And, um, you know, I think that drove a lot of our decisions about how to handle ourselves during the layoffs, so we leave people with that "This is still a good place to work." Um, but as an HR person, um, you know, I thought that, I mean, I think one of the, what is it, you know, "fight or flight," um, so if you don't like, you know, if you're miserable in your job, um, and I think a lot of us have been there. I've been there, um. But it's not really the

job. I mean the recognition is it's probably not any different any place else and, in fact, it could be worse, you know. Given what I heard about what other companies did.

Researcher: Uh hum

Participant 3: So it's just, uh, fighting the work you're doing right this moment, you know, that you want to run away from, um. Yeah, I mean, I remember having conversations with my husband, "I hate my job; I'm just going to quit," you know. Uh, and I didn't feel that sense of obligation and responsibility that the company wasn't going to go on without me. They'll do fine without me, um. Which is, I think, my boss has talked about that, that, you know, he's at an age where he could retire, um. But he feels a sense of responsibility that if he's not there, who's going to fight, who's going to be that buffer during this tough time.

Researcher: Um hum. Your boss being the president?

Participant 3: And I know he's thought about his replacement. Yeah.

Researcher: Yeah.

Participant 3: Um, I know he's, you know, thought about retiring or replacement. But that's not something, you know, he wants to do to somebody in a tough time. I didn't have some qualms. I thought okay, "I could just walk away right now and I'll be fine." There's [sic] enough competent people there that, you know, would be able to do that. But then uh, you know, as my husband and I talked about it, it's like, "Well, where would you go?" And I'm like, you know, yeah, do I want to start all over with a whole new community? Which I recognize is a big value for myself, you know, the communities that you work in and play in. Um, I wouldn't look forward to starting over again. And then, um, really, is it just the times and not doing fun work and doing icky work that, really, I

want to quit, versus, you know, quitting working altogether? Until I realized I wanted to quit, but I didn't want to get another job.

Researcher: [Laughter] Uh huh.

Participant 3: You know, um, so I realized, okay, yeah, this is not a good time for changing jobs. You don't really want to change jobs, you know. But it's sort of that, you know, do you run away from the bad stuff kind of thing. You know, and I worry about, um, you know, is it just finances that are keeping people in place? You know, I hope not, um. But, you know, there's not a lot of, uh, HR people voluntarily leaving, you know, quitting jobs or changing jobs right now. I even heard at one social thing, um, some people talking where one woman had been laid off and lost her job, and somebody else said, "Yeah, I think it's time to make a change." She goes, "Don't you dare. You leave those for us unemployed. Don't you go out looking." Um, you know, and kind of in a playful way. But I thought, "Ooh, there's an interesting dynamic." Um, you know, save them for the people that are really not working.

Researcher: Yeah, uh-hum.

Participant 3: So, um, so, I think I'm healing, um a little bit. Um, and I think just like a lot of other people, you know, are we looking at what it takes to heal ourselves in terms of recognizing stress, which was probably one of my issues. Um, you know, some medical stuff that happened over the last year that, you know, I never realized. You know, I never think about the emotional impact of that. And uh, so my health is good now. But, you know, there are some rocky roads there that you go through and then um, um. Yeah, I mean, I remember talking with a friend about, like, specifically my managers, and they're not getting along, and they're not talking, and I just want to slap them upside the head

and tell them, you know, "Figure it out," um, which was my first reaction. I realized, uh, okay, maybe I shouldn't think it's them. Maybe, you know, what's my part in this?

Researcher: Um hum.

Participant 3: And, um, and then I thought, "Well, if all of us looked at whatever's bothering us, we would probably figure this out," so, um. [Laughter]

Researcher: [Laugher]

Participant 3: Yeah, so I feel like there is a path, you know, to follow, um. You know, it's just another stage of development that I think you don't really think about. You always think that development is moving on to the next step. But sometimes it's, okay, you know, the economy made us all take a step back in terms of how we behave and how we act. I was trying to think the other day. We've talked about this as an organization, um. We had a euphemism for, um, I'm trying to think, I can't, I have been thinking about this for a couple of weeks, but I couldn't remember what it was. But sort of those really difficult people at work, um, and we've always had them in our office, and how do you deal with them, and um. I think we've created more difficult people at work, Um, or the environment has or the economy has, or the way we act towards each other.

Researcher: Um.

Participant 3: And, uh, you know, you always think there are those few outliers that are not performing well, so you put them on performance improvement plan. But this is sort of bigger than that. It's sort of like, we are all sort of regressing into the not-so-nice parts of our personality. And those are manifesting themselves a little bit more.

Researcher: Uh hum.

Participant 3: And um, you know, organizationally, what should we do about it? And I've said, "I am not worrying about that until I kind of get my own shit together."

Researcher: Um hum.

Participant 3: Um, you know, that whole "HR sets the tone for the organization" kind of thing. Um, people look at how the leaders behave and to see. And, you know, that's a big phrase of my boss, you know, "You can't change how other people behave; you just set the example for leadership by behaving the way you think you should behave." So, um, yeah, so I decided I'm just going to fix myself, you know, a little bit, and then worry about the rest of the organization. And I will, you know, fix myself and, um, make sure that the team is getting a little bit more help. So, we did talk a little bit about it. I mean, we're sort of all tiptoeing around the fact that we're not talking as well together and snapping at each other. But, um, under the euphemism of communication, we did say we're going to probably look for some outside help, a coach or a facilitator, [to] come in and help.

Researcher: As a group, um huh.

Participant 3: So myself and my three key managers, um, and start with that and see, um. Yeah, because I think we're just all coming in, putting one foot in front of the other and just fighting as hard as we can to get it done. But we're not. You know, we've talked about, like, team bonding events, you know, and, um, we used to do a lot of those. We'd go off and play together, um. We got criticized for it, but we decided we worked hard enough and extra hours. So that's one thing that has sort of slid by the wayside, you know, with the economy.

Researcher: Um hum.

Participant 3: Um, we revived that probably in the spring, looking at, you know, what kind of free things can we do, um. And so, um, you know, even, you know, we took the bold step of going the whole department out for lunch for somebody's birthday, you know, and charged it to the company, and hell be damned. We had enough budget in there, um, and it was fun to do. I think we all felt a little guilty about it. But um, you know, um, yeah, we'd go off and do miniature golf for an afternoon or something like that, you know. Or, um, we'd go off and do offsite strategic retreats once a year and things. Yeah, so all of that stuff sort of fell by the wayside. We are trying to figure out how do we replace it. But, um, you know, I'm not sure we're doing such a good job. But the whole recognition, team building thing has come up pretty strong for our organization, you know, overall, so.

Researcher: The HR organization?

Participant 3: And the whole company.

Researcher: Hmm.

Participant 3: We're hearing it back from, we would do this recent sort of communication goals, where each department talks about their strategies for the next year, and they also say what's the one thing they've missed the most. And, other than pay things that we've lost, it's been recognition and team building.

Researcher: Um hum.

Participant 3: And I used to hate the term team building, because I always thought that was sort of a, you know, like somebody wanted a magic bullet to get their team to work better together. But I realize it's more of that informal kind of bonding things.

Researcher: Um hum.

Participant 3: Not necessarily all going off and doing a ropes course kind of thing. But I think a lot of people do tend to think there is a magic bullet, you know.

Researcher: Or, hope, perhaps.

Participant 3: Yeah, and maybe that's it; they recognize something is wrong and they're just hoping there's something that can be fixed.

Researcher: Okay.

Participant 3: So, yeah, but I think that's it.

Participant 4. Researcher: Please tell me in as much detail as you can about your experience as an HR manager responsible for implementing your company's downsizing initiative.

Participant 4: All right. Um, let's see. This was a unique experience beyond where I had worked before because I joined the company in August as a contractor and then was officially starting as a full-time regular employee the beginning of September. And this would have been 2008. And, within six weeks they were talking about laying people off. So, you know, the excitement of joining the organization, and it was kind of a dream job as to what I had been looking for, to all of sudden, these people that I was just getting to know and form relationships with and kind of bond as the HR person, now we're doing something kind of nasty to them. And I didn't have yet completely established relationships with the senior management who would be making these decisions. It is a lot easier when you, in my opinion, when you know all the parties and know how people are going to react and how people respond and how people make decisions. So it was very, um, at other organizations, to me, I'd seen it coming usually and things that had happened leading up to a layoff. You know, travel is cut; coffee disappears out of the

coffee room; you know not to spend any money; that jobs get closed; you just know it is

getting bad for the company, and you know the next thing would be layoffs. So this was

kind of very abrupt because we had just done some hiring. But, um, they had not closed

around financing right when the economic crisis started. So it was just kind of an

interesting storm that hit. I was, uh.

Researcher: Were they public or private?

Participant 4: They were private, yeah, and they were not making any of the revenue that

they had planned. They were not getting any funding that they had planned. When I was

hired, they kinda made an offer in July; then started really in September. It was over 50

people. "You are our first HR [Human Resource] person; you report directly into senior

management; you need to hire 50 to 100 people over the next year." And it just sounded

like fun, fun, fun, fun. "Create your department; help implement all the policies; you

know, work directly with senior management to make this company grow and define the

culture"; and it sounded wonderful. So it was kind of, um, kind of like the rug was being

pulled out from underneath me. However, I had been through this before and that really

helped me. It was like, okay, I know how to do a layoff because, fortunately, I've got

samples at home of all the, everything that needs to be created and to make this happen,

and I know how to lead the meetings to make decisions. And so, it is really weird being

an HR person during a layoff because I always have two very conflicting emotions. And

one is, I am very important here and they really, really, really need me right now, *and* this

is a really horrible thing we are doing to people. So it is kind of this adrenaline rush that

they could not do this without me nearly as well. At the same time, why am I so proud I

am good at this? So it is very conflicting emotions. But I really believe that when you do

a layoff, you know, it is always best that the organization is prepared and organized. And, in meeting with the employees, you come across as a professional that is prepared, um, that you've got the script down, that you got Kleenex in your pocket; you got the paperwork all spelled right. And so you are still coming across as very professional and you want to make it as humane as possible. So you don't want to rush it; you want people to have time for their emotions. And so, you are organizing all of that as the kind of lead HR person, and they really look to me at this organization to please tell us what to do. And, so I was called into a meeting where it is like they are still trying to decide how many people; um, and they really didn't have those decisions made. And so I called another meeting and said, "Okay, what is the timing of this? How many people?" You start writing a script to make preparations. No, they weren't quite ready for that; not everybody showed up for the meeting. So I scheduled another meeting, and it was just after a while, it was like, "You guys, if you are going to do this, you need to make some decisions and make it happen." They were obviously completely avoiding it and procrastinating; yet it was becoming more and more urgent. And so that was the first experience where I have had where it was kind of like, I can't believe they are acting like children. You know, usually senior management is very somber, and "Here is what we need for you to help us do; and here are the numbers we need to cut; or here's the financial amount, and please lead us through the process. Or this is a process we have done before; what do you think?" This was much more like rounding up children and forcing them to make a decision about what they were going to do and when. So that actually kind of freaked me out because I am like, whoa, complete lack of leadership here. It explained to me a lot why the company was in such dire straits. And they had a

beautiful facility and a wonderful lunch room and a ping pong table. And it was like, yeah, down deep, these guys don't really know what they are doing. So that was actually the hardest part for me 'cause it actually made me incredibly anxious. It's like, I don't feel like these guys are making good decisions. I don't really feel like they know what they are doing. It is not like they really had a process in place and they really knew what they needed to do. And it was just the icky job of picking the people; they hadn't even gotten that far yet, so.

Researcher: I'm assuming they had a CEO or president.

Participant 4: Yep, they had both. There was a CFO; there was a COO; um, VP of Sales. So yeah, it was kind of five guys that I was rounding up. And, you know, they clearly did not want to do it; and they knew they had to. So, that was an interesting challenge. I never quite had it like that before. And again, I am really, really glad that I had been through this process before because if I had been uncertain about what to do and what the process was and it was all new to me, I think that would have been a huge mess, you know, with the blind leading the blind. At least I had been through a few rounds of layoffs before. And I had been laid off, so I kind of knew what it felt like. So, to me, that helps me kind of prepare a little differently. So um, finally got them to decide and make up their mind [sic]; and we had the list; and I talked about the process; and they didn't really follow it. But we started the morning we were to notify people, and we kind of split up and pulled people in the conference rooms and gave them their packets and their checks. And really, I had seen layoff processes where you notify somebody and then you give them two or three or four days as an employee to pack up their stuff and finish their work. You don't escort them out. I am used to working with a very, um, well-educated,

well-paid, very professional workforce. Um, and, I have always seen it work well when you really respect people during the process and give them a lot of time. You don't grab Security and make them pack up their boxes in front of everybody and walk them right out. It makes them feel very degraded and it freaks out the employees who are staying. It is like, "Oh, this is what I am going to get treated like when it is my time?" You know, after all they did for us, and it is not their fault they are losing their jobs. You know, it's different when you fire somebody and everybody is like, "Yeah that was the bad apple. Get them out of here." It is like, "These are our friends and this is a financial decision." And so, I really kind of planned out this is how we are going to do it; this is when we are going tell them; this is when they will actually leave; and that all kind of got ignored. [Laughter] So it was a lot more abrupt than I had been hoping for.

Researcher: Tell me more about that, about what was more abrupt.

Participant 4: We really talked about letting people kind of stay as employees for two to three days, letting them pack up their stuff, come in at night. I'd meet with them if they wanted to do it then. But they did a lot more standing over the employee. "Pack up your stuff; you need to get out of here."

Researcher: The same day that they got laid off?

Participant 4: Yeah, and I don't think it was, um, I felt like management was really kind of embarrassed and they just wanted to get it over with for themselves. And it was, "How do we just rip off the Band-Aid and make this happen?" They were not thinking about the kind of impact it was going to have on everybody else. So they had taken so long to make these decisions that it was super urgent that we make it happen and get these people off of our payroll. And so, um, I think it went *okay;* but I was not proud of how we did it.

You are definitely not proud of what you are doing; so you at least want to be proud of what you did and that it went as well as possible.

Researcher: So were you meeting with folks one-on-one in those conference rooms?

Participant 4: Usually I had the, um, their VP or director and myself. And that is the process I am used to; it is where the direct-line person has to give the bad news and then I take over and talk through the logistics and the paperwork, benefits, last pay, those types of questions.

Researcher: What percentage of their workforce did they eliminate?

Participant 4: We only did about six or seven people in that round, which out of 50, everybody had been hired the last two years. So everybody felt it right away.

Researcher: So I interrupted you as you were talking about the fact that the plan didn't get fully implemented in the way that you had created and hoped.

Participant 4: Yeah, yeah, so that was just really hard to see people in kind of a more abrupt, "you need to get out of here and take your stuff" kind of message to people. It was a small enough company that everybody could see what was going on. Um, and then we did another round of layoffs (that was October) in January. And that one ended up being about a 30% layoff.

Researcher: So this six or seven one was October and, in January, it was about 30%?

Participant 4: Yeah, so again, the revenue still had not landed in refunding. We had stopped paying our rent. [Laughter] Vendors were calling; they hadn't been paid. It was really like kind of a catastrophe. Um, so with that one, we were all kind of waiting to see what the sales results were for the quarter ending December 31st. In a really small company, usually I am not so linked into exactly how many units we have sold. But, you

know, in a young company, the first unit going out the door, um, and we all knew that we had basically sold nothing at the end of December for the whole quarter. And so I was informed that we'd probably be letting about half of the sales force go because they had not sold anything, um, and then probably three or four more administrative marketing types, which kind of wiped out that staff. And, I was told that on about a Friday, and next Tuesday I was told, "Okay, hold off on those three to four people going. We are going to still do the sales force." And that was kind of in-process. And I am like, "This is really good news or really bad news." Because, the three to four, I was kind of getting the paperwork ready. So, and I had meetings with the managers to talk about the three to four, and who was going to do what, and what our script was, and trying, again, to get some structure here. Um, and then, Friday at 5:00, my boss came in and said, "It's a huge list. You're on it. We need to make it happen Monday morning."

Researcher: Okay, so let me just make sure I've got this here, the chronology: Friday you get some indication that maybe you can hold off on the three or four. Tuesday, hold off. Friday, bigger and you are on it.

Participant 4: Friday, it was about three or four. Tuesday, it was hold-off. What was fortunate for me is I was actually happy to hear I was on the list. The place to me was a complete mess. Um, and I was very stressed out. And I did not feel that management knew what they were doing, and very much thrashing around. Um, and so, it was actually like, good. [Laughter] Um, I was *really* worried about entering the job market and *really* worried about the people we were sending off. I mean, I have done many layoffs in my career, and people turn around and find jobs. But, in this market, it was just really, really scary, because you knew it was going to be a very different situation. Ya know, I do not

mind firing people who deserve it, and we have spent months talking to and trying to improve performance and documented and had many discussions with them. Layoffs are a little bit harder. Um, but it has always been in a really good job market.

Researcher: Uh, so that was one of the differences, right?

Participant 4: This was a huge difference, yeah. I was very afraid for them. Afraid for myself, but more happy to be getting out of there. [Laughter] I was not sleeping very well. So, Friday night at 5:00, I heard the list; heard I was on it; and they wanted to do layoffs Monday morning, not even giving us a couple days to get final checks cut, paperwork done. The CFO was gone; he signed the checks. It was just kinda, so, I looked at my boss and said, "Okay, what time are we working tomorrow?" So went in and donated time (to the company that was laying me off) on Saturday and helped him and the payroll person, um, who was actually my employee. Um, we did packets most of the afternoon. And then, Monday morning, the CFO came back from his trip to learn that he was also on the list and that he needed to approve these checks and sign them. And we were kind of in a hurry to get these packets all out to the correct VPs to start meeting with people. We had kind of a schedule so the payroll person or I could be in the room with the senior manager telling the employee.

Researcher: Because there were so many people impacted? They wouldn't have gotten through it otherwise, I assume?

Participant 4: Yeah. Right, so we needed to split it up; and my philosophy is you don't want one person telling an employee they are being laid off. You always kind of want a witness, kind of good cop/bad cop; and usually out of the two, there is someone they prefer as a person; so they kind of focus their energy on that person when they have

questions or concerns or they are angry or start crying or whatever. So it is always good to kind of have the two bodies in there. So we had it all kind of mapped out. The CFO comes back and he, um, he wants to look at the check numbers before he signs anything. So that is taking a while, taking a while, taking a while. And so we finally have all the packets. And I always envision layoffs where it is me with a bunch of folders walking down the hallway and people looking at you and ducking. And, um, it is actually refreshing to know I was on the list because it is just easier to tell people, "You know, today is your last day and mine." It just helps soften the blow. And, the packets were all ready to go and the CEO has decided to round up all the VPs and have an impromptu meeting. So we sat for two and a half hours and waited while they were in a conference room talking. And so we were all ready to go. The employees can tell something is going on. It is now like noon. The plan was to be done in the morning. It was just kind of horrible. [Laughter] So, I don't know, I think a couple of the founders were...

Researcher: Can I ask what was going through your mind?

Participant 4: Oh, just that they were crazy! [Laughter] Just that, you know, it is really hard when you, some things are just really icky to do. And it is nice if there is a lot of structure around it, so that everybody can kind of be calm, cool, and collected, and just get it over with. This kind of frenzy of, "Let's change the list at the last moment and make this happen fast, no real time to prepare." And then, "Hurry up, hurry up." Oh, they are in a conference room and I don't know when they are going to be out, is like, "What is going on here?" Um, because I knew they couldn't change their mind. I had seen their budget numbers. There was no way we could *not* get all these people off the payroll.

Researcher: So you were not making up that *that* was the conversation taking place.

Participant 4: Yeah, I think they just had to convince a couple of people that the founders are not really involved in the big decision making and that this is what had to happen. But why they had not done that over the weekend, or, it was like, again, not have decisions made and their act together. And so, they finally came out and we got started. Then my people had gone off to lunch; and it was just really, really awkward. And the worst part of that was there was a woman who everyone loved, her first job out of school; and she was pregnant and everybody knew it. A young lady, and, uh, she was kind of the hardest person to tell. Because if the company failed, um, she was pregnant and getting any medical insurance with a pre-existing [condition]. Everybody thinks that you lose your job, you get COBRA [Consolidated Omnibus Benefit Reconciliation Act of 1986]. Well, yeah, as long as the company stays in business. If the company goes under and has no medical plan, you lose your medical insurance.

Researcher: Is that what was happening here, or likely to happen?

Participant 4: We are all very concerned about that. The company actually is still there; still has a medical plan, and I'm on their COBRA plan, 10 months later. I'm kind of amazed. But that was a real fear is that, you know, being pregnant that she would have a really hard time getting insurance. You know, you know too much about people when you are that small, what they are going to be worried about, what the person's situation is. Nobody was very surprised. They all knew the company had a horrible quarter and things were not going well. Um, so almost everybody packed up and left that day. I asked for another day because just to organize my desk after doing all this. So I had one more day. And, I could not figure out what all the commotion was. We had people packing up their desks. But there was just all this activity on the elevators, and we had a lab on the

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floor below us. And I am like, "Why are they bringing stuff *up* and not down to people's cars?" Well it was at the very, very end of the day. I was really busy doing paperwork and trying to get stuff to our payroll person, who was staying, and get signatures and get all done and getting everything organized. And I finally found out that we had stopped paying our rent on our lab space downstairs. And enough time had passed that they were seriously worried that the landlord was going to show up and just lock all their stuff in and not let us get back to our equipment. So not only were we laying people off and having all these people depart, but the people who were staying now had to hustle. They had until 5 p.m. to get everything from the labs pulled up the elevators and into our other space so that we did not lose it all.

Researcher: Wow.

Participant 4: So it was an interesting day. Again, I am like, crazy people are running this place. [Laughter] I seriously doubted the talent of my management team, which I had never done in my career before. So it was really interesting. Then I went back in the next day and organized my desk and labeled everything and tried to organize my computer files, so they could find everything. Um, and I told my manager what time I needed him in my office to come go through things. So I figured it would take about an hour, um, and I had an appointment at 5:30 that night. I had a meeting I needed to be at, and he was late. So I am racing through. It was like, you know what, that was his decision to make, so I am not coming back. I am not staying late. I told them I needed to leave. I'm leaving. It was really hard for me to do because I like to leave everything all wrapped up and do the best job I can. But I was exhausted, and just done.

Researcher: Did he say anything about why he was late?

Participant 4: Oh, at that company, um, meetings were never on time. Um, people were so stretched thin that they would be working on something and they would get a call from a customer, whatever, and everything would be, um, thrown up in the air. I had people coming in for interviews and half the time people would blow off the interviews, or be an hour late, or, "Oh Jennifer, can you change this around?" while the candidate is in the lobby. It was kind of a, um, I felt like there was no respect for this is a workplace and we are going to have a rhythm and get things done. It was very much a, what's hot right now. And some people thrive on that and find it very exciting.

Researcher: So it was what's hot right now. And what would likely define "hot?" Do you know what I mean? What would make something "hot?"

Participant 4: Like, um, all of a sudden interest from a customer in one of our products. Someone had gone out and done a demo and, yeah, they sound interested. "Oh my gosh, throw all the resources at it." Or someone has a product they bought from us or they have on test that is having problems. You know, "Conference call, throw all our resources at it." It was just, um, it was just very, and I have been at very small companies before and never seen that environment. So it kept going, "Its' a start up. It's a start up." But I'm like, "Yeah, I've been at start-ups. It didn't feel like this." At this company it feels like this. Uh, it's not just because it is small and it is new. That was a very different experience.

Researcher: Interesting. Anything else about that experience that really stands out for you, your experience in that organization, obviously being someone who was involved in creating, helping to create the plan, implementing the plan, and then finding out that you, too?

Participant 4: Yeah, the whole agency. Uh, I'm actually surprised with how well the employees took it. Even the pregnant lady was, you know, sobbing. But she was not surprised. She was just like, "Oh finally, the other shoe fell." Uh, just disappointed and bummed and worried, but not like, "Oh my God, I can't believe this is happening now." Most people said, "I'm not surprised." Um, so the employees were actually pretty gracious considering what was going on. And I was like, "Okay, this is a strange reaction," especially in the economy that we were launching them into. But I think a lot of them were feeling the same way that I was, is that this place just seems so out of control that I am not happy here. And I've been worried about my job for so long that you might as well just let me go. And, that was, they were so nice and gracious about this. You know, many of them had been laid off before. You kind of get that in the computer industry. But that was kind of a surprise at just how undisciplined management was about the whole thing. They just did not act like the grownups in the room. So.

Researcher: You said that despite having a plan, the plan was not necessarily adhered to. What did that plan look like? Even though it may not have been what actually happened, what was it you created?

Participant 4: Uh, well, the hope was to notify employees first thing on a Monday or Tuesday morning, and then give a few days during the week before their employment was actually ended. So that, if they were upset at that moment, they could go home and then come back and straighten up their desk and pack their items and move work over to coworkers or managers and then make an appointment with me. And just have it all be very calm and civilized. [Laughter]

Researcher: What about the packets that you said that you were putting together?

Participant 4: There was as much information as possible about, uh, their final check and unemployment and a very official letter that their job was being reduced—because that helped with unemployment—um, benefits information, contact names and numbers. Just kind of everything that we could think of that would help them answer their questions and just help them get started.

Researcher: So was the final paycheck based on what the hours they had actually worked?

Participant 4: Yep, and then we get a teeny, tiny severance, a week or two of pay.

Researcher: Okay, and COBRA information as well, I assume? You mentioned that.

Participant 4: A form for them to sign that they got all that. Yep, very organized.

Researcher: Outplacement?

Participant 4: Could not afford outplacement. So that was really hard, too, launching people out knowing that they were not going to get any help. To me it was not just the job search help, because again it was a young company, so all these people had hunted for a job within the last two years. It is not like where you are laying off people who haven't done a resume since they were out of high school and it is foreign to them, job searching on the Internet. This was a group that they had all been hired there within the last two years, so they all knew how to job hunt, network and, uh, do their resumes. But I think that outplacement is really helpful emotionally. And, and as HR person, I think it is very helpful to move people on from being mad at the company and moving on to their job search. So I think it really benefits the company and might help avert some really upset employees, lawsuits and just nastiness if the employee can just get their head around, "Okay, what is the next adventure?" And just the support you get from outplacement:

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"Just that you are an okay person. This isn't your fault and let's get you started looking for a job." So I was just disappointed we couldn't do that.

Researcher: Anything else that is again prominent for you when you think back about what you were experiencing?

Participant 4: I guess mostly just the disorganization. You know, uh, I had been through layoffs before where they were just really hard to get through and get it done. But this was that and every three minutes the decisions were changing. And I couldn't get them settled down to make the decisions. And it just felt like I was really yanked around, and it was a new level of anxiety through the whole process.

Researcher: Okay. Anything else you think it is important for me to know about your experience?

Participant 4: I think that is all. That's a good description.

Researcher: [After the researcher turned off the digital recorder, Participant 4 continued to talk about the impact of the downsizing on her. The researcher asked if she could turn the recorder back on so Participant 4 could repeat what she had continued to share.] So, you and I continued to talk a little bit.

Participant 4: Yes, we did.

Researcher: And, you started to share with me some more about your experience of what happened. So, would you mind just going through that again?

Participant 4: I think what I said was, you know, HR is in a really unique role in an organization. Um, you know, we're the friend; we're the buddy; we're the counselor; we're the "oh let me help you see if we can make that happen for you." And you're often put in that role where you really befriend employees. They come and tell you personal

stuff that they tell no one else in the organization. And you have, I mean, I often knew when people were pregnant before the parents knew, because, you know, it impacted their work. I mean, you really get to know people, and you know what you're doing to them is, just, it's really hard, um. You know it's the right thing for the business, but it is still an emotional experience you go through. And to have absolutely no one, I mean I have done many rounds of layoffs, and to have any one walk up to you the next day and go, "How are you doing Ms. HR person?" It just throws me for a loop, because no one asks. And, um, and you are avoided for a few weeks afterwards because everyone is keeping their head down and it's a very lonely time.

Researcher: Um hum.

Participant 4: You know, I'm feeling really icky about what I did. But, again, that dual role: You are very, very important to the organization and you are in this leadership role—"We couldn't have done it without you." Yet you are also like, "God I wish I wasn't the person telling these people that, you know; we are taking away their income and dramatically changing their lives." And there just isn't any time to breathe and to catch up and kind of renew yourself after that experience.

Researcher: I think you started to share with me, too, that your boss came in after the first round.

Participant 4: Oh my God, yeah, after the first round that we did in October, which was just a few people, you know, there was loads of paperwork on my desk and I was still trying to get all that done so that I could move on to my projects, and he, literally, was like on my case, quite loudly, immediately, about why my budget numbers weren't in. And I was, just, was like, "You've got to be kidding me. We just laid-off these people. I

was working late. I got these mounds of paperwork on my desk just to get done so that I can move on. And, you know, you want budget numbers on our old budget, and I know we don't have that kind of money in the organization anymore." So it just was a ridiculous exercise. So it's just kind of a, "You've got to be kidding me. Why did I even come in today? Why didn't I stay home and take care of myself?" So, you know, I have been in other organizations where there is much more of a breathing space after a layoff and people do understand that, you know, you kind of need to regroup. But this was just go, go, go, go, go, you know. "Okay, *we* finally made a decision, *we* got over it, you know; catch up [Name]." And it was just really hard. [Laughter]

Researcher: Thank you for being willing to repeat that.

Participant 4: Yeah, and I did, I discussed it with my HR friends out there, that there is just no support for us after we go through this.

Researcher: Um huh.

Participant 4: And I don't understand why someone doesn't see this as a niche or just a money-making opportunity. I would easily pay 20 bucks to have gotten some counseling and been able to vent with somebody who would have been in my shoes and understood what I was going through. And it just doesn't exist, so.

Researcher: Um huh.

Participant 4: It's a really unique role.

Researcher: Yeah.

Participant 4: Yeah, in a way, I enjoy it because you want a lay-off to go as professionally as possible. And you hate to think of what it would be like without you there. [Nervous laughter]

Researcher: Ah ha.

Participant 4: But, in a way, you really don't want to be part of it. So at least it's, it's an

interesting challenge.

Researcher: Thank you. I appreciate it.

APPENDIX F

Nondisclosure Agreement

This agreement sets forth the terms by which **Denise Fazio**, **DISCLOSER**, a

Pepperdine University student conducting her doctoral research, whose mailing address is

[Address], retains the services of **MD-IT (MEDICAL DOCUMENTATION-INTUITIVE**

TECHNOLOGY), RECIPIENT, (1410 NORTH CRAIN HIGHWAY, SUITE 2B, GLEN

BURNIE, MARYLAND 21061, HTTP://WWW.MD-IT.COM) to perform certain off-site

data/word processing and transcription services that will involve furnishing **MD-IT**

(MEDICAL DOCUMENTATION-INTUITIVE TECHNOLOGY), RECIPIENT with research

information consisting of voice recordings on a CD which are confidential and

proprietary. **MD-IT (MEDICAL DOCUMENTATION-INTUITIVE TECHNOLOGY),**

RECIPIENT, hereby warrants, represents, covenants, and agrees as follows:

1. **Disclosure of Confidential Information**. **MD-IT (MEDICAL**

DOCUMENTATION-INTUITIVE TECHNOLOGY), RECIPIENT, stipulates that all data/word

processing and transcription services for **Denise Fazio** will be performed solely by

Rebecca Smith. This means there will not be, under any circumstances whatsoever, the

disclosure to any others the confidential and proprietary information provided by **Denise**

Fazio to **MD-IT (MEDICAL DOCUMENTATION-INTUITIVE TECHNOLOGY)**.

2. **Definition of Confidential Information**. **Confidential Information** as

used throughout this **Agreement** means any and all confidential and proprietary

information related to **Denise Fazio's doctoral dissertation research**, including, but not

limited to:

(a)   any and all information furnished to, or acquired by **Denise Fazio** in the course of her dissertation research, which is proprietary, confidential, and/or a trade secret;

(b)   any and all information developed by or for **Denise Fazio** which her agents, associates and/or partners which is proprietary and confidential, including but not limited to patented products and processes and/or trade secrets;

(c)   any and all information furnished to MD-IT (MEDICAL DOCUMENTATION-INTUITIVE TECHNOLOGY) by **Denise Fazio** that is not strictly a matter of unrestricted public record.

3.   **Nondisclosure**. MD-IT (MEDICAL DOCUMENTATION-INTUITIVE TECHNOLOGY) agrees that it, its employees, agents, independent contractors, officers, directors, and/or shareholders will keep strictly confidential all **Confidential Information** and will not, without **Denise Fazio's** express written authorization, reveal, disclose, use, loan, or sell any **Confidential Information** to any third person, party, corporation, or association for any purpose whatsoever. MD-IT (MEDICAL DOCUMENTATION-INTUITIVE TECHNOLOGY) further agrees that it will not make copies of any **Confidential Information** except upon **Denise Fazio's** written authorization, signed by **Denise Fazio**.

4.   **Return of Material**. Upon **Denise Fazio's** written request, MD-IT (MEDICAL DOCUMENTATION-INTUITIVE TECHNOLOGY) will promptly return to **Denise Fazio** all originals, copies, samples, and computer disks containing all or any portion of the **Confidential Information** that, at the time of the receipt of the notice, are in MD-IT'S (MEDICAL DOCUMENTATION-INTUITIVE TECHNOLOGY'S) possession, and will delete

immediately any and all hardcopy paper, audio, digital, and/or computer storage of the same.

5. **<u>Nondisclosure Obligations Continue Past Term</u>**. The nondisclosure obligations imposed on **MD-IT (MEDICAL DOCUMENTATION-INTUITIVE TECHNOLOGY)** shall continue with respect to each item of **Confidential Information** following the termination of the business relationship between **MD-IT (MEDICAL DOCUMENTATION-INTUITIVE TECHNOLOGY)** and **Denise Fazio**, and such obligations shall never terminate.

6. **<u>Invalidity</u>**. If any provision of this **Agreement** or its application is held to be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of any of the other provisions an applications herein shall not in any way be affected or impaired.

7. **<u>Entire Agreement</u>**. This **Agreement** sets forth the entire understanding of the parties with respect to the subject matter hereafter and may not be modified, changed, or amended, except in writing and signed by the party to be charged, **Denise Fazio**.

8. **<u>Controlling Law</u>**. This **Agreement**, regardless of where made or performed, shall be construed and enforced in accordance with the laws of the state of Colorado and any action brought forth will be in said State, applicable to agreements to be executed and performed wholly within the State.

IN WITNESS WHEREOF, This **Agreement** has been executed effective the _____ day of _____, 2009.

_____

(NAME)   Date

Duly authorized representative, **MD-IT** (**MEDICAL**

      DOCUMENTATION-INTUITIVE TECHNOLOGY)

_____

Denise Fazio, DISCLOSER   Date