

## Managers Play a Key Role in Transforming the Fear and Uncertainty of a Layoff into Trust By Kevin Scheid

BCWI research has revealed the financial downturn has increased the level of fear and uncertainty among staff in many Christian organizations. As leaders in ministry, what are the levers we can employ to reverse these culture damaging attitudes by transforming fear and uncertainty into trust?

This is the third installment in our series on Downsizing in Christian Organizations. We began by examining how downsizing can actually cause lower trust levels for the employees who remain at an organization. Our second report addressed the important role managers play in facilitating a healthy downsizing. This article will focus on the uncertainty and fear associated with downsizing. The good news is that although downsizing can be a very painful process, it can just as likely be a positive one, leading to improved organizational performance.

According to Applebaum, Close and Klasa (1999) "...the surviving employees of layoffs are often insecure, angry, and confused. These workers are worried that they will not possess the skills necessary to meet the job requirements of their new job descriptions. Also, they are insecure as to what influence they will have over their careers (p. 424)." As Christians, this is enough of a reason to think carefully about how to best navigate a layoff as we care for the souls of those who work for us. But also as we strive to accomplish the missions that our organizations were created for, we realize that these negative emotions lead to lower productivity and

hampered customer service (Watson Wyatt Worldwide 2009/2010).

How is it then that some organizations are able to make a downsizing a beneficial thing for their organizations? We will examine this question through comparing the BCWI survey results with current research on the topic to identify how a Christian organization can improve with downsizing and avoid a potential downward spiral.



### **Downsizing's Impact on employees in Christian Organizations.**

To understand the effect of downsizing on Christian organizations, we look to the largest decrease in scores on specific questions as measured from before the recession and compare those to the scores after the recession. The decreases likely point to areas affected by the downsizing and appear to be consistent with research on secular organizations. Table one displays the Best Christian Workplaces survey questions with the greatest decreases

from the 2009 to 2010 survey. (It might be important to note here that the survey for 2009 was actually completed from October to December of 2008, while the 2010 survey was exactly one year later). Under the "Trend" column, the decrease in the average score from 2009 to 2010 is listed. Scores from the survey are derived from a 5 point Likert scale and represent the average of 16,000 respondents.

The issues in Table 1 were grouped by identifying the questions with the highest intra-correlations among the whole question set. The grouping was further verified through a qualitative assessment. This process yielded four significant factors which are labeled according to their shared salient features including: trust, management, fear and commitment. The rest of this article addresses the third of these: fear.

### **Uncertainty and Fear**

With a recession, downsizing and rumors of downsizing along with decreased trust in management, one would expect an increase in uncertainty and fear from the surviving employees. This uncertainty and fear is a well documented phenomenon and is labeled "Survivors Syndrome" or "Survivors Sickness" (Appelbaum and Donia, 2000; Bunker, 1995; Solomon, n.d). Some of the components of Survivor's sickness include fear, insecurity, anger and distrust. Survey data from Best Christian Workplaces Institute indicates that employees in Christian organizations are not immune to these negative effects. A third grouping of five survey questions with

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decreasing results during the recession can be characterized as representing fear and uncertainty.

The question with the largest decrease and possibly the best surrogate of uncertainty and fear is question 6. Specifically, the question states:

6. My organization provides good job security to employees who perform well.

This decrease may indicate the uncertainty and fear relating to the possible loss of one's job and the

uncertainty of how an employee can keep their job. If employees who perform well do not have job security, then uncertainty would prevail as to who has job security. Additionally, employees would be uncertain as to what they need to do to keep their job.

The related four questions can be further divided into two sub-categories. The first subcategory relates to the degrading of relationships which can accompany fear and uncertainty: the feeling of decreased teamwork and people feeling less cared for. These

questions include:

20. My organization's leaders demonstrate compassion for people at all levels.

48. At my organization, there is generally good teamwork across departments.

The second subcategory indicates some uncertainty on the reasons behind certain decisions and may indicate employees take a more critical look at their possible futures

### Largest Decreases in BCW Survey Questions

Trend from  
2009 to 2010

16. There is a high level of trust at my organization between senior leadership and employees.	-0.18
6. My organization provides good job security to employees who perform well.	-0.15
23. There is clear consensus on my organization's goals.	-0.14
37. My organization conducts its activities openly and honestly.	-0.14
33. My organization is well managed.	-0.13
40. My organization has a winning strategy for meeting the needs of those we serve.	-0.13
28. My organization effectively rewards top performers.	-0.13
8. I would recommend my organization to others as a good place to work.	-0.12
1. I would rate my organization as an exceptional place to work.	-0.11
15. At my organization leaders are humble.	-0.11
32. My organization promotes the most qualified employees.	-0.11
48. At my organization, there is generally good teamwork across departments.	-0.11
20. My organization's leaders demonstrate compassion for people at all levels.	-0.10
38. At my organization, people are responsible and held accountable for doing what they say they will do.	-0.10
50. My organization's leaders explain the reasons behind major decisions.	-0.10
5. My organization retains highly qualified employees.	-0.10
19. My organization's leaders behave with fairness and integrity.	-0.09
58. I am satisfied with my retirement plans (pension, 403(b), 401(k), RRSP etc.).	-0.09
13. My organization's leaders keep a focus on putting Christ first in daily decision-making.	-0.09
55. In comparison with people in similar jobs in other Christian organizations, I feel I am paid fairly.	-0.09

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with the organizations. Thus, employees will likely examine the



retirement provisions in their job to help them plan their future and find some certainty. This sub category includes:

58. I am satisfied with my retirement plans (pension, 403(b), 401(k), RRSP etc.).

50. My organization's leaders explain the reasons behind major decisions.

It stands to reason that when employees experience fear and uncertainty they may look to something they can count on for reassurance and security. The decreasing satisfaction with their retirement package may indicate where people are looking for security and stability. Also, research reveals that downsizing increases stress in the lives of employees thus adversely affecting relationships. Although

these are accepted trends in secular organizations, one would expect a Christian to go towards God as a certainty in their lives and continue to love their neighbor or fellow employee as the case may be. The data does not indicate that getting closer to God and continuing to love others is not happening in these

*The decreasing satisfaction with their retirement package may indicate where people are looking for security and stability.*

organizations. In fact, the data indicates that Christian organizations and the people in them act more like secular organizations than we may expect.

In addition to incorporating downsizing into the strategic plan,

other mitigating strategies for fear and uncertainty include emphasizing and re-invigorating the core Christian values and focus on Christ. This will not only provide a certainty other than a retirement plan for employees to grasp, but it will remind people to continue to be compassionate and continue as team players in the organization.

Research offers some additional insight into the cause for negative psychological results from downsizing. According to Applebaum, Close and Klasa (1999) much of the survivor sickness is linked to the association of the employee with the organization. If the employee's identity is not tied to their employment, then they will not be as negatively affected by a layoff. Applebaum et al go on to discuss a mitigating strategy of preparing employees for change, by helping with their career path and ensuring there are mentoring relationships. When companies emphasize the growth and professional development



**Chart 1.** The Impact of the Financial Recession of Staff Satisfaction Scores in

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of their employees, they are more likely to weather the downsizing and improve productivity. Employee skills will also be more marketable making it easier for them to leave; however, they will be more motivated to stay.

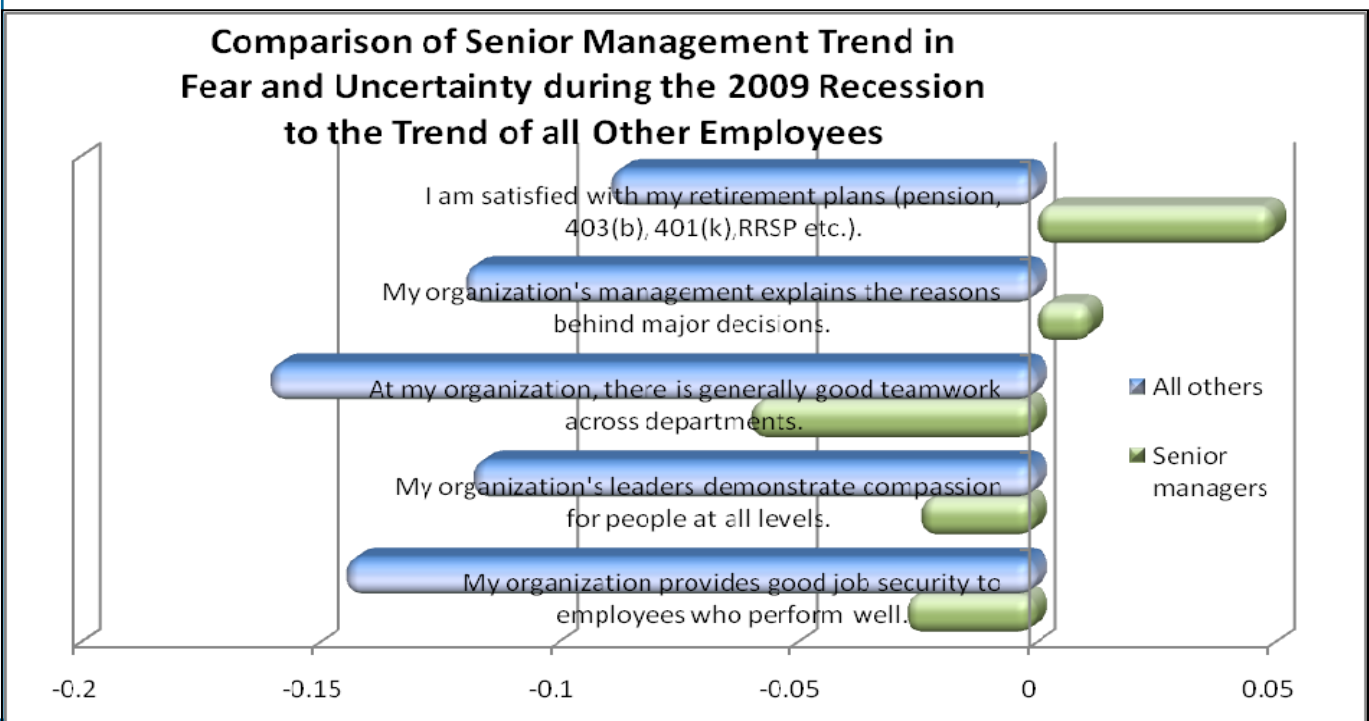
In addition to helping employees develop their marketable skills to mitigate the negative psychological impact on employees, Christian organizations can help steer their staff away from deriving their identity from the organization and towards finding their identity in Christ and their Christian faith. An emphasis from leadership on the foundational Christian values of the organization is essential. Specifically, a focus on Christ in an organization is indisputably the most important aspect in mitigating the negative effects of downsizing. Of course the focus on Christian values and keeping

Christ at the center of a ministry is not something that should be instituted in preparation for downsizing. If management were to attempt to use faith in this manner, it would not only be manipulative and deceptive, but it would most likely not work. The Christian faith and values must be foundational in your organization and culture before downsizing becomes an issue.

Clear, honest and frequent communication is another mitigating factor on negative reactions to downsizing as indicated by the decrease in score for question 50. In addition to making sense in the context of eliminating fear through clearing up uncertainty, good communication also allows employees to see and understand the process. According to Clay-Warner, Hegtvedt and Roman (2005), a process for downsizing which is fair

and understood by surviving employees is the most important factor in reducing the negative impact of downsizing.

Another indication of the importance of good communication can be seen in the difference in trends between senior management and the rest of the organization on questions pertaining to fear and uncertainty. This stands to reason since senior management is in a position to make decisions and thus have less uncertainty. Logically, knowing what is going on would reduce uncertainty and associated fear (Chart 2). From the chart we can see that senior managers believe they do a better job at explaining reasons for decision than their staff's perception of their communication. Managers also feel better than their staff about the retirement plans the organization offers, however, Senior management's perception of



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compassion, teamwork and the ability of employees to keep their job if they perform well does decrease with the recession, although not as much as the rest of the employees in the organization.

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