

Considerations and Strategies for Sustaining an Effective Work Environment in Times of Declining Resources

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Overview

- Organizational downsizing
- Empirical research
- Culture
- Values, mission and vision
- Foundational management and leadership principles
- HR Strategies
- Examples from Michigan State University

Guiding Principle

“To be successful...leadership does not require heroic, flawless, or extraordinary leaders. The roots of leadership are not in hierarchies of power but in methods of sense making that are part of the human condition” (Morrill, 2007, p.266).

Organizational Downsizing

According to Cameron, Freeman & Mishra (1993), downsizing:

- occurs when an organization *purposefully engages* in activities to improve efficiency and/or productivity
- always affects work processes
 - Reduction in personnel
 - Reorganization
 - Increased workload without additional employees

Empirical Research

- Organizational Dysfunctions of Decline
 - Cameron, Whetten, & Kim, 1987
- Downsizing & Redesigning Organizations
 - Cameron, Freeman & Mishra, 1993
- Maintaining Effectiveness Amid Downsizing and Decline in Institutions of Higher Education
 - Cameron & Smart, 1997

Organizational Dysfunctions of Decline

The “dirty dozen” (Cameron, Whetten & Kim, 1987)

Centralization	Short-term crisis mindset
Innovation curtailed	Resistance to change
Decreasing morale	Politicized interest groups
Across-the-board cuts	Loss of trust
Increasing conflict	Reduced communication
Lack of teamwork	Lack of leadership

Downsizing and Redesigning Organizations

Cameron, Freeman & Mishra (1993) identified three major downsizing strategies:

1. Workforce reduction
2. Organizational redesign
3. Systemic

Two Downsizing Approaches

Organizations tend to adopt one of the following approaches

1. Reinforcement: reinforces the current mission, vision, and systems
2. Reorientation: mission, vision, and systems are redesigned (Cameron, Freeman & Mishra, 1993)

Best Practices in Downsizing

According to Cameron, Freeman & Mishra (1993):

1. Downsizing viewed as an opportunity
2. Behavior of top manager
3. Planning and preparation

Maintaining Effectiveness Amid Downsizing ... (1997)

Key findings:

- Over half of the institutions did not experience a decline in performance solely because of declining resources
- Average or high performance levels may be maintained by avoiding the dirty dozen
- Poor leadership (as compared to the amount of resources available) appears to be more of a significant factor leading to institutional ineffectiveness

Culture

- Determines “what is done, how it is done, and who is involved in doing it” (Tierney, 2008, p. 24)
- Influences what individuals believe and how they behave
- Involves knowing and understanding the needs of constituencies
- Ever changing and dynamic (Tierney, 2008)

Understanding Culture

- Helps with understanding and managing an organization (Tierney, 2008)
- Influences what individuals believe and how they behave
- Leads to a shared an understanding of what constitutes excellence
- Reinforces belief in supporting the mission
- Reduces the negative effects of adversarial relationships

Mission and Vision

○ Mission

- The guidance system
- Clear and concise
- Alignment with the institution's mission

○ Vision

- Future oriented
- What you want to be

○ Examine activities to ensure alignment with mission and vision

Values

- The mission and vision are incomplete without clarifying values (Scott, Jaffe, & Tobe, 1993)
- Values are:
 - “Standards and patterns of choice that guide persons and groups toward satisfaction, fulfillment and meaning” (Morrill, 1980, p. 62)
- Organizational values answer:
 - What’s important?
 - How should employees behave to achieve the mission?
 - How will employees treat each other and work together? (Scott, Jaffe, & Tobe, 1993)

Management and Leadership

- ◉ Articulate and support a vision
- ◉ Be available and accessible
- ◉ Be willing to help, knowledgeable and responsive
- ◉ Make decisions
- ◉ Communicate effectively

Decision Making

- Stay within the scope of your mission
- Understand what decisions are yours to make
- Make decisions timely
- Allow enough time to reflect
- Think about the impact...who, what, ,and when
- Do the right thing
- Do what is best for the office, department, and institution
- Incorporate staff members' feedback into decisions

Communication

- Encourage open communication **and listening**
- Think of communication as a continuous loop
- Reduce communication gaps
- Consider timing and methods for dissemination

HR Strategies

- Hire the right people
- Get the right people in the right seats (Collins, 2001)
- Keep the best
- Establishing and communicating performance expectations

Bringing the Best on Board: The Selection Process

- Search committees
 - Diverse perspectives
 - Members who are willing to speak up
- Define characteristics needed for success
- Objectively assess those characteristics

What if the interview process yields a mediocre finalist? *Should you settle?*

Do Not Settle!

- Employee turnover costs are 50-200% of the person's salary (Bliss)
- Hiring costs
- Training costs
- Lost productivity (time it takes for new hire to learn job)

Best Fit

- **Build on a person's strengths**

- Strengths are what make a person feel strong (Rath, 2008)
- Don't assume if a person is good at something that it is his/her strength

- **When the right "fit" does not exist**

- Best thing you can do for a good employee is fire a bad employee (Kinnear, 2010)
- Will you lose the position line? If yes, may need to consider the long-term benefit of the position

Retaining Productive Staff

Question:

What techniques have you used to retain productive staff members?

The Bell Curve

- Pay attention to the bell curve of performance
- Be mindful of downward shifts
- Monitor the extent to which an individual's performance negatively impacts others

Performance Expectations & Evaluations

Key Concept:

Consistently establish, communicate, and enforce performance expectations

Developing a Performance Tool

- Work closely with HR
- Must be position specific
- Identify 3-5 categories of responsibilities
 - Consider shared tasks
 - Employees must assist in development
 - Develop measurable outcomes for each category
 - Provide specific, detailed feedback
- Employees set goals and provide feedback to their supervisor
- Feedback should occur throughout the year

Examples

- Within the last year at MSU:
 - Analyzed organizational structure, functions, job positions, and personnel
 - student IDs and printed faculty/staff directory
 - Prepared reorganization and response plan to meet 7% base reduction
 - Academic Services, Admissions, Financial Aid, and Registrar worked collaboratively to review each unit's reduction plans

Outcomes

- Student IDs
- Faculty/Staff Directory
- Organizational structure
- Workload distribution
- Continuous examination and review
 - Staff members can and will contribute; listen to them and incorporate their ideas

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Questions/Answers

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