Challenges Faced by Hr Management When Significant Staff Cutbacks Occur and How They Should Be Addressed

Downsizing is never easy on the Human Resource department. In fact, if not handled properly, it could be detrimental to the overall organization. Here are some challenges that come along with downsizing: Addressing the shifting morale and needs of the surviving employees, maintaining the productivity and profitability of the organization, and retaining skilled, and qualified employees.

Staff cutbacks can leave the surviving employees feeling demoralized, bitter, angry, and in shock. One role of Human Resource Management is to act as an employee advocate. In a time of workforce reduction, communicating with employees as well as acknowledging their concerns and fears, can work to rebuild the employee’s sense of security in the workplace and help him/her to reengage in the culture of the organization. Through strategic Human Resource Management and planning, the shared values and beliefs of the organization can be reinforced to its employees and the collective value of the capabilities, knowledge, skills, life experiences, and motivation of the organizational workforce can be retained.

Once there has been a major reduction in force within an organization, productivity and profitability becomes a main target of Human Resource management. One HR strategy would be to give more hours and responsibility to existing workers. However, eventually employees will become overworked and productivity will suffer. Utilizing alternative tactics such as hiring contingent or temporary workers is a strategic HR plan to maintain productivity and profitability while not having to pay the cost of benefits.

Reducing turnover of qualified and skilled employees is an ongoing effort of Human Resource Management. Employees who survive workforce cuts tend to disengage the culture of the organization because they have lost faith in the organization being a lifetime employer. When an organization goes through a massive layoff process, the employee retention efforts of Human Resource Management could intensify. Employee retention efforts may include, constantly communicating with employees, and paying attention to surviving employees. As an example of a strategic Human Resource plan to hold on to skilled employees, an alternative work arrangement such as telecommuting might be offered to a worker.

The functionality of Human Resources is always changing to meet the ever evolving needs of an organization. For example, when Xerox decided to downsize, the function of Human Resources
became environmental scanning strategic planning. The restructuring goal however, included more than just a reduction in force. It was determined that the Human Resource entity needed to be streamlined and become a more efficient part of the organization. As a result, the use of technology, and maintaining employee retention was the core that developed HR into a more strategic part of the Xerox organization.

There are two purposes that HR technology serves in an organization. The first is to improve the efficiency of employee data and HR activities collection. At Xerox, the use of HR technology has been instrumental in making HR services more accessible to their workforce. The second purpose of HR technology is to capture a greater degree of informational data that enables HR planning and managerial decision making. Again, Xerox made use of this aspect by supplying intranet employee surveys and tracking employee views on the company and HR. The information gathered allowed HR and managers to address areas that received lower scores on the survey. These efforts by the company and the HR department have had an effect on employee retention at Xerox.

As stated earlier, reducing turnover of qualified and skilled employees is an ongoing effort of Human Resource Management. Xerox has made retaining especially high-potential employees a priority. Organizations have found that keeping good employees can be a challenge. However, in an effort to keep skilled and or high performing employees engaged and embracing the organizational culture and HR values of an organization, some employers will offer incentives. Employers, such as Xerox, will invest in employee training and development. Although this can be a double edge sword by potentially making an employee more marketable for other organizations, employers have found that when they invest in employees through job training and or monetary compensation, employee job satisfaction increases and employees are more likely to stay. In addition, employees who are engaged in an organization are more likely to be top performers and miss fewer work days.

In summation, both technology and employee retention are key in HR development because they both lend to the culture of an organization. 1. Technology by improving the administrative efficiency of HR, and the responsiveness of HR to employees and managers. 2. Employee retention by maintaining employees who through their experience and loyalty to the organization, becomes a core competency and perpetuates the values and cultures to newer employees.