

Downsizing With Care

We have been fortunate to have witnessed ten years of significant growth leading to a transformed NHS. The next few years look much more challenging. Whichever party takes power in 2010, expenditure on the public sector will have to be cut on a scale very few of us have witnessed. The size of the workforce and costs will come under rigorous scrutiny. Real cuts in staff numbers are likely to be required over a relatively short timescale. Downsizing is not new for public sector organisations, including the NHS, but the scale and pace of change may be!

Those organisations that grasp the opportunity emerge leaner, fitter. They will be more able to respond to the challenges they will face. Those who don't will inevitably suffer the effects of a disengaged workforce, low morale and a failure to retain key people.

The NHS can legitimately argue that it has significant experience of managing change and organisational reconfiguration over the last 20 years. Much of this has been achieved through investment in service redesign. It however has had much less recent experience of making significant reductions in staff numbers.

Avoiding the pitfalls

Dearden's has been working to support a number of NHS organisations through periods of major change. From this experience and other OD work we would like to share some insights that might help you too successfully manage the downsizing challenge:

- ❖ With careful planning reconfiguration and consequential downsizing can create real opportunities to fundamentally refocus an organisation. It is essential to recognise that without a well developed and thought through strategy,

downsizing may well cause unintended damage and undermine your future organisational effectiveness.

- ❖ Focus on the values of the organisation – “how we behave around here ” - and ensure attention to detail so that words are turned into action. Recognise that any dislocation between espoused and actual values will quickly be picked up by staff and undermine the process.
- ❖ How individuals are treated really matters not only to those who leave but as importantly to the people who remain. If those who are selected to go receive support and are treated with dignity it will improve the morale and retention of valued, high performing employees who remain in the organisation. The reverse it also true.
- ❖ Treating individuals with humanity is really important. Managers who take the opportunity that downsizing presents to demonstrate that they can be tough-minded and macho will create a legacy that will take years to recover from.
- ❖ Difficult decisions have to be made but fairness, transparency and effective communication is essential at a time when staff are hypersensitive and feel threatened by the whole process
- ❖ Successfully downsizing an organisation may be one of the most difficult challenges you will face. The first rule for a successful outcome is to recognise the scale of the challenge and to give it the time and resources it requires. Make it a real priority across the organisation and pull in support where required.
- ❖ Develop at an early stage in the process an Organisational Development plan for the new organisation that will allow you to drive forward.

If you would like to know more about how we could support your organisation then please contact Derek Emm on 07974 574917