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1-20-2009

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Recommended Citation

Wright, Lori and UNH Media Relations, "Business Professor Warns Of Post Downsizing Stress Syndrome As Job Cuts Continue" (2009). *UNH Today*. 7.
<https://scholars.unh.edu/news/7>

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Business Professor Warns Of Post Downsizing Stress Syndrome As Job Cuts Continue

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January 22, 2009

EDITORS AND REPORTER: Barry Shore, professor of decision sciences at the University of New Hampshire, can be reached for interviews at 603-767-0480 and barry.shore@unh.edu.

DURHAM, N.H. -- Those fortunate enough to have held onto their jobs during the economic downturn may experience Post Downsizing Stress Syndrome, a psychological response to a combination of widespread layoffs and high levels of job stress, according to a business professor at the University of New Hampshire.

Barry Shore, professor of decision sciences at the UNH Whittemore School of Business and Economics, says many workers are discovering that they must adjust to a new organizational culture and management style, one that the Economist describes as "command-and-control."

"It is a culture that shifts the focus from motivation and collaboration to delegation and compliance. It is also a culture that expects those who remain to take over responsibility for the work done by those who have left," Shore says. "Certainly, those who still hold their jobs feel grateful for being spared, but many also feel threatened, abandoned, burdened with more work, and subject to overall greater job stress."

According to Shore, the stress that develops in a downsized environment is different from traditional job stress. A downsized environment is usually the result of deteriorating business conditions that are beyond the immediate control of management. It affects a wider percentage of the workforce in the organization than it would under more normal circumstances. It can be long-lasting and may recur with increasing intensity as job cuts both within the survivor's company and other companies occur. Employees become obsessed with their plight -- it dominates informal discussions in the organization, and, as a result, employees turn their focus inward and worry about job security rather than focusing outward on job performance.

The symptoms of Post Downsizing Stress Syndrome include trouble concentrating on the job, irritability with fellow workers, anger toward management, higher absenteeism, substance abuse, family problems, feelings of mistrust, health problems, negative attitude toward work, and a sense of hopelessness.

"When several of these symptoms are observed, management needs to take action before the damage spreads through the workforce. Unless treated, the organization's competitive position may be eroded as morale and then performance suffers. Later, some of the company's best performers may leave once the job market recovers. This can be particularly unfortunate since those who have survived the reductions-in-force are presumably the better performers," Shore says.

According to Shore, there are several ways to treat Post Downsizing Stress Syndrome:

- **Resist the temptation to blindly follow a command-and control approach.**

Companies should lead with humility and professional will. Command-and-control can work in the short run, but it stifles individual initiative, commitment, and contribution in the long run.

- **Acknowledge the insecurities and fears of the workforce.** Bring current concerns into the open, talk about them with employees and acknowledge their concerns. This sends a strong message that a company cares about the plight of its workers.

- **Communicate often.** This is no time to keep employees guessing. Hold meetings to discuss the problems faced by the company. Ask employees what is on their mind. Start a blog. Create a new page in your newsletter devoted to the issues the company faces during the recession.

- **Share the complexities of management decisions.** Help employees understand the tradeoff between survival and job cuts. Ask for their suggestions. Would they prefer that the company retain its current workforce level and absorb the drop in business through fewer hours or shorter work weeks, or would they prefer job cuts? By sharing these complexities, employees can offer useful responses during the economic downturn.

- **Develop a questionnaire to study employee morale.** Before taking steps to improve morale, management should understand current attitudes toward the company, management and the job. Developing a questionnaire to collect data can be useful.

- **Encourage collaboration.** It is more important now than in the past few years to encourage teamwork and collaboration. Schedule team-building workshops and invite groups to plan their own workplace strategies that may include setting their own budgets and timetables. Ask employees how to do the job better. Try to resist the temptation to increase responsibility while stifling authority and control.

- **Improve trust.** Trust is one of the most important human resource assets, but there is no quicker way to undermine it than to cut jobs and impose a command-and-control culture. Management must do what it can to manage this asset. Trust starts with honesty, even when it means warning employees that bad news may be coming. Trust also requires fairness, even when it means explaining what criterion was used to furlough workers, and even when this explanation leads to significant criticism from employees. Finally, trust is doing one's best to keep promises, even when these promises are tough to keep.

- **Recognize contributions.** Celebrate accomplishments. Everyone likes to be appreciated, but few take the time to show appreciation.

- **Start new projects.** Understandably, some projects were delayed as the economic crisis forced the organization to circle the wagons. But that doesn't mean there should be a moratorium on new projects. Initiate studies of the competitive market environment. What opportunities now exist because competitors have left the market? How have customer needs changed in response to the expectation that this slowdown will be prolonged? The answers to these and other questions may suggest new products, services and projects. It's important to keep in mind that people are energized by new ideas and fresh starts.


- **Involve the workforce in developing new ways to improve old products and processes.** The economic crisis provides an opportunity to change processes that have resisted change for many years. Involve employees to make the change effective and to help build morale.

"Developing a strategy to survive the recession should not end with a plan to contain costs and reduce the size of the workforce. Equally important is a focus on the human resources within the firm, one that recognizes the stress that the recession has imposed on those

fortunate to have survived job cuts but who are still susceptible to Post Downsizing Stress Syndrome," Shore says.

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