

# Bob Legge

We help clients achieve great results by improving performance  
and return on people

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Welcome. This newsletter is free and if you apply what you learn here, you will significantly improve performance and return on people. But it won't happen just by reading -- you must use the information, tips and approaches for them to work.

This is our 8th issue. Download the others at the [free newsletter](#) part of our website. Make sure you explore all areas of our [website](#). There are lots of free articles and other information. Please feel free to [forward a copy](#) to your associates.

Happy Holidays!  
Bob

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## [If You Must Downsize: How to Maximize Your Return on People](#)

Downsizing may reduce costs, but it won't increase your return on people. In fact, layoffs usually have a negative impact on productivity, morale, employee satisfaction, external reputation, and even the quality of your workforce.

It doesn't have to be that way. Follow these tips to overcome the negatives and get a greater return:

**1. Be smart about who is on the layoff list.** Many companies will make downsizing lists by seniority or by some percentage staff reduction in every department. These approaches increase the risk of cutting good performers or destroying value chains. Instead, take extra time to understand what drives value in your core processes. Choose layoff candidates based on the least impact to operations.

Performance documentation can be valuable in making these selections. But they also can be worthless, or even completely misleading. Many performance appraisal processes reflect the manager's attempt to secure the best pay increases, or to be used as a tool to play favorites. As a result, they have little relationship to real performance. If that's the case, you need a better approach -- and fast.

**2. Redesign jobs to make them more stimulating and streamline cross-functional processes to improve collaboration.** Typically, a company will reduce headcount and then expect everything to work the same way, but with fewer people. What actually happens is additional tasks are assigned to the remaining employees, overloading them and reducing productivity. Instead, take this opportunity to make jobs more engaging by redesigning roles and responsibilities to increase the freedom to act and level of responsibility. And look for ways to improve cross-functional processes. This improves efficiencies and collaboration, and it makes the remaining jobs far more engaging. You'll enable high performers to focus more on the work that needs to be done.

**3. Don't stop investing in your people.** We know that learning and development are important to employee engagement and retention. But much of the training in organizations is wasted because it does not measurably improve performance. Strip out all training and development not related to building skills and knowledge that will affect current or future performance capabilities. Consider using senior leaders to do training. This reduces outside costs and ensures that training is connected to actual work challenges.

**4. Keep communicating.** Now more than ever you need to be keeping people informed. There are two sources of stress: One, not knowing what will happen tomorrow, and two, having no control or influence over it. Be upfront and candid about the situation and what needs to be accomplished. You need to maintain the morale and productivity of existing employees, and they're hungry to know what you're thinking about.

**5. Track important measures.** Headcount and cost reduction are good, but you also need productivity. Track efficiencies, cross-functional alignment, collaboration, employee morale, and voluntary turnover of high performers. Additionally, you should be able to increase the quality of any new hires during this time.

**The value of doing this well is substantial and includes:**

- Increased workforce productivity and satisfaction
- Improved efficiencies and collaboration
- Strengthened ability to attract and retain quality talent
- Better positioning for growth

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## Case Study: On Time, Under Budget Technology Implementation

**Client Situation:** A \$1.2 billion utility was in the midst of implementing SAP enterprise software. The software was mission-critical because it would drive important process improvements throughout the organization. When employees refused to use the first of seven modules, management asked Legge to lead change management and ensure a successful project outcome. The key challenge was to successfully manage broad-based change across a highly regulated, change resistant culture.

**Solution:** We established a comprehensive approach to assessing and managing the full scope of change including sponsorship, cultural fit, employee impact, and change agent education and coaching. We worked closely with project leaders and representatives throughout the organization

to ensure that we stayed in front of all initiatives and anticipated employee resistance and concerns. We also handled project communications and coordinated employee training in-line with project deadlines and employee availability.

**Results:** The overall project went live on time and 5% under budget. A follow-up employee survey showed overwhelming acceptance of the new system and a highly successful change program.

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Return on people means achieving significantly better business outcomes, including profit per employee, and increasing the value of people faster than rising people costs.

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