

Elements of good management in times of cuts and crisis

A selection from experience, consulting practice and literature

Taking care of yourself

Do what you need to stay fit and able to think clearly:
make times for getting advice and thinking
eat a healthy diet, get enough sleep, get exercise in the fresh air
make sure to relax and regenerate: Shiatsu, Chi Gong, Yoga, meditation, listening to music: do whatever helps you to charge your batteries and keep your inner balance.

Making sure your organization survives

Check finances, free up resources for crisis management
Ensure clear division of tasks: survival/daily operations/crisis management
Protect relationships with existing clients and contracting agencies

Give clear directions with short-term targets

Tighten management to give people a secure orientation
Stay optimistic, keep a cool head: eyes on short-term goals

Communicate, communicate, communicate ...

in person as much as possible, not by e.-mail etc.
with the employees, with the contracting agencies, with the owners, if relevant, with the media
In my experience, complex issues need to be talked through more than once before everyone understands them sufficiently
Communicate what needs to be done. If concrete goals are not yet defined, explain what criteria will be used to decide on them.
If only parts of the organization are affected, make that clear. Make cause-and-effect linkages visible.

Use time well

Especially: waste no time in trying to cover up the seriousness of the situation.
Before the crisis: be alert, make your processes crisis-proof, be informed about necessary procedures and deadlines (employment law, unemployment system etc.).

Look reality in the eye

Take decisions quickly; including the unpleasant ones
Keep the future development perspectives of the business/ the organization in view

Map out room for manoeuvre

Think through future scenarios; think and negotiate with variants and options;
estimate their consequences; try to identify any ways to turn the crisis to advantage

Transparent solutions

Take clear, well-reasoned decisions; explain the reasoning. Layoffs as last resort.
Differentiate between external necessities and internal insufficiencies, keep the language precise

Estimate costs of reorganization

Process costs (notice periods etc.), redistribution of overheads, losses of relationships and expertise, damage to confidence of employees and clients.

Invest in quality

Strengthen management and leadership; get advice (use consultants); define the necessary performance quality, and demand it; encourage your best employees, don't tolerate bad performance or regressive behaviour

Preserve dignified manners and appreciate people

In crisis scenarios and when panic threatens: slow down, don't be hectic, set a measured, determined step-by-step pace
If you have to close departments/projects and terminate employment, do this in a dignified manner and make sure to observe a choreography that communicates recognition and appreciation of the work people have done.

Use creativity, see new opportunities

Necessity is the mother of invention. Open up spaces for shaping new initiatives; involve employees in the planning, so that you benefit from all the knowledge present in the organization.

Deal with emotions consciously

Crises intensify emotions and bring them to the surface, in all levels of the organization. Shock, panic, anger, sadness, also euphoria in the relaunch phase.

Make space for emotions, where possible offer cushioning measures.

After layoffs, take conscious steps to handle the emotions of the people who stay on (survivor syndrome)

Taking care of yourself

Again and again:

Do what you need to stay fit and able to think clearly...

Recommended reading:

Barbara Heitger/Alexander Doujak: Managing Cuts and New Growth

Karl E. Weick/Kathaleen M. Sutcliffe: managing the Unexpected: Resilient Performance in an Age of Uncertainty