

# SHOULD WE DOWNSIZE?

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*Downsizing has become so widespread that it is being looked upon as a national malaise. With so many large organizations doing it, it has become an "in thing". Is it a "good thing"? Is it the "right thing" to do? When we weigh the benefits of downsizing against the damage that it does to employee relations the net effect is depressing.*

**People as an Expense** - Downsizing is one of the terms recently used for cost reduction with the focus on employees' payroll, payroll that contains more professionals than anything else. It treats employees as an expense to be gotten rid of rather than as the organization's most valuable resource, which raises anxieties and destroys corporate loyalty. Across the United States and Canada today, people are looking over their shoulders, distrusting their organizations. And, this distrust is epidemic.

**Excuses** - Why are so many organizations doing this to their people? Is it because business is so bad that they simply can't afford to keep them? Hardly! Many of these organizations are experiencing record profits. Then is it because they simply have no work for these people because of the marvelous efficiencies brought on by computers? If that is the case, why are the employees who have remained in these companies so stretched out?

**Computers** - Actually, it appears that finance-focused managers have become convinced that computers will enable them to get rid of a large number of employees and when they do, profits will soar and the people authorizing the downsizing will get very, very rich. But the computers are not doing this, and will not do it. They simply do not replace the judgment and ingenuity of employees and, of course, the computers don't buy the company's products either. But, the allure of massive profits seems to be blinding.

**Apologies** - It is apparent that the managers who are carrying out these downsizing activities are not proud of what they are doing. Time and again they have attempted to publicly justify their behavior on grounds such as, "We had to do this because everyone else was doing it...If we didn't we would be left behind...Global competition...etc...etc." How sad they look as they announce the cuts, insisting that they had absolutely no choice. Executives, who call the shots in their organizations pleading no choice! They simply haven't shown the stamina and conviction that their choice requires. And, isn't it interesting how their excuses continually point the finger at the other guy. Can you imagine how impressed one of these executives would be if he found his teenager on drugs and the youngster told him, "I had to do it Dad! Everyone was doing it!" It wouldn't take two seconds for the executive to counter that flimsy argument.

**Enthusiasm and Pride** - We simply do not have to do things because other people are doing them. We can do things because they are right and we can be proud of ourselves. In his research on Excellent Companies in the early eighties, Tom Peters found that excellent companies were distinguished from the rest by their people, who were enthusiastic and took pride in their work. Real leaders have not only understood this, they have considered it too important to compromise, come what may. Today, our professional society needs leaders with the statesmanship to put trust back into the world of work.