Anatomy of a Job Loss: A New Corporate Strategy Emerges

by David J. Wudyka, SPHR
President – Westminster Associates

It is not surprising these days to hear of someone losing their job. Companies sometimes maintain that this can be good for job losers because it represents an opportunity for a "new beginning." The truth is, job loss is rarely a good thing for anyone, especially in a downsized business world, and especially if it happens to you.

But there is a new insidious species of job loss growing inside U.S. workplaces. It results in the "de-enrichment" of jobs, and it is not apparent to the general workforce. We are not yet comfortable with it, nor accepting of it, in the way we have grown to reluctantly accept downsizing. To understand job de-enrichment, though, we must first understand something about how jobs are designed today.

Quality of Work Life and Job Redesign

In the quality of work life efforts and programs of U.S. companies, jobs may become "enriched" or "enlarged." When jobs are enriched, they are given depth of responsibility. Tasks or skills are acquired vertically in a job "family." For example, an entry-level machinist can become more proficient over time by acquiring skills anywhere within the machining family of jobs. The Japanese embrace this notion. They are less fond of its opposite notion, namely, job enlargement.

When jobs are enlarged we expand a person's job by taking tasks from other less similar functions and jobs, and combining them into one new job. Hence, the job becomes broader, as tasks are acquired horizontally. This imparts greater task variety, but not depth of knowledge about a primary line of work.

Job De-enrichment and Downsizing

To better understand job de-enrichment, we must also first understand organizational downsizing. Downsizing often prompts companies to reexamine how jobs are designed. Downsizing (a.k.a. "de-layering"), is a "top down" strategy of job loss that most often affects higher paid employees, like middle managers. This makes it somewhat more palatable to our society (unless, again, it's happening to you).

De-enrichment, on the other hand, is a "bottom up" job loss strategy. You might wonder "Isn't this what we've always experienced?," namely, layoffs affecting the bottom rungs of organizations? The answer is yes… and no. In traditional "bottom up" layoffs, job incumbents in high volume job classifications are often affected. In other words, if there are 25 Assemblers, perhaps five to ten of them are eliminated. There is less assembly work, and therefore there are fewer Assemblers employed. Their work is not re-distributed.

What makes de-enrichment different is that the work doesn't go away. Incumbents of mid-level professional roles absorb the duties of jobs below their current grade or organizational level. This is not job enrichment because this adds lower level duties and task volume to the mid-level professional's job. As this occurs, the volume of activities, and stress, increase.

In downsizing, we see other differences. While it is true that upper level managers may acquire "mid-level" managerial responsibilities, lower level supervisors and managers also acquire higher level managerial responsibilities (i.e. job enrichment). These employees now have new, higher-level duties with greater responsibilities. This new role may be accompanied by rewards (e.g. a promotional increase), and, almost certainly, greater stress levels.

But there is no growth or rewards for people caught in the emerging strategy of job de-enrichment. Here is a recent example of how de-enrichment strategies affect Registered Nurses at a New England hospital:

A Registered Nurse acquires the responsibility of a laid-off Social Worker to place discharged patients in a nursing home. The role of a displaced Pharmacy Technician who prepares medical supply kits is now automated and the "self-service" equipment is re-located to the RN's department. To replace a Security Guard who has also been laid-off, nurses perform their own security checks at closing time to ensure no one is left in the building. Finally, due to the creation of a centralized central supply warehouse, RN's now conduct their own local inventory of supplies (formerly performed by Inventory Clerks) which they order from the warehouse.

The irony of this strategy for the hospital industry is that Primary Care Nursing, popularized in the 1970's, was based on a related idea. Nurses would deliver ancillary services, such as Dietary services and Nursing Aide services to the RN's "primary" patient, who could then more closely identify with the RN (the "primary care giver"). This was thought of as a good thing. However, this system's popularity faded for the same reason that de-enrichment will fail. Professionals want to perform duties at the professional level, and resent having to absorb lower level duties.

And this is just one example. The same thing can happen in any industry.

A Classic Job "Squeeze"

What is the bottom line of job de-enrichment? Specifically, de-enrichment drives responsibility upwards in organizations. The people affected are professionals in the middle of organizations (a classic job "squeeze"). We are not only increasing the responsibility and activity level of mid-level non-managerial professionals. In today's "team based" organizations, we are also adding responsibilities formerly performed by management (e.g. daily staffing, meeting leadership, productivity assessment, amongst others). If these practices continue, we will see teams burn themselves out, begging for the redistribution of assigned tasks to others. Perhaps only then will we see the "upsizing" of companies to normal levels again to reduce the pressure on the American workforce.

The de-layering, de-jobbing and downsizing of America continues. This time, it is happening from the "bottom up" in a new and different way.

David J. Wudyka, SPHR, is the Managing Principal of Westminster Associates, a human resource consulting firm located in RI.