

Cornell Study: Employees Must Rebuild Networks after Downsizing

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Cornell Hotel Study Examines Effects of Layoffs on Hospitality Employee Communication Networks

Informal Networks Typically Are Restored within Four Months of Downsizing, according to Hospitality Study

After a layoff, remaining employees struggle to reestablish informal networks. According to a study published by Cornell's Center for Hospitality Research (www.chr.cornell.edu) regaining access to information through the employee network is a key factor in whether an employee considers leaving the downsized organization. The hotel study, 'Restoring Workplace Communication Networks after Downsizing: The Effects of Time on Information Flow and Turnover Intentions,' by Alex M. Susskind, found that most employees rebuild their informal network within four months after a downsizing. The report is available at no charge at (<http://www.hotelschool.cornell.edu/research/chr/pubs/reports/2008.html>).

'Corporate downsizing is extremely disruptive to the surviving employees, even if the company does not formally reorganize,' said Susskind, an associate professor at the Cornell University School of Hotel Administration. 'Some are able to rebuild their communication network in a matter of weeks, but others struggle to do so. Those who feel that they have lost their connection to the employee network are more likely to think of turning over. I found that within four months, most employees in the company I studied had settled in-they reestablished themselves in the employee network and they were generally planning to stay with the company.'

Hotel Study Demonstrates Importance of Rebuilding Communication Pathways Following Downsizing

The layoff-focused hospitality study examined the effects of downsizing on the corporate office staff at a multinational hotel company. As a consequence, the study is limited in that it examines the perceptions of a small group of employees-just 97 individuals. However, Susskind said that the hotel study's implications are clear: Managers should find ways to assist remaining employees to reestablish communication pathways after a corporate downsizing. Employees who feel they have lost contact, both for work-related information and personal information, are more likely to leave the company when they feel that they have lost connection to vital information and have not been able to restore those valued connections. Helping employees rebuild their network, Susskind concluded, will help stabilize the staff after a downsizing.

Meet and interact with Dr. Susskind, an active member of the executive education faculty at the School of Hotel Administration, when he presents sessions in the Professional Development Program:

<http://www.hotelschool.cornell.edu/industry/executive/pdp/>.

Thanks to the support of the partners listed below, all Cornell Hospitality Reports and Tools are made available free of charge from the center's website, www.chr.cornell.edu.

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A unit of the Cornell School of Hotel Administration, The Center for Hospitality Research (CHR) sponsors research designed to improve practices in the hospitality industry. Under the lead of the center's 69 corporate affiliates, experienced scholars work closely with business executives to discover new insights into strategic, managerial and operating practices. The center also publishes the award-winning hospitality journal, the Cornell Hospitality Quarterly (formerly the Cornell Hotel and Restaurant Administration Quarterly). To learn more about center and its projects, visit www.chr.cornell.edu.

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