Chapter 36
Implementing a Reduction-in-Force:
Important Reflections From the Field

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ABSTRACT

The organizational change initiative presented in this reflective case history is a large reduction-in-force (RIF) in a public sector state department of K-12 education due to budget cuts in 2011. The author was on the executive team that designed and implemented the RIF. A previous RIF occurred on 2003 that had major implementation issues that negatively impacted the agency. A high-level seven step process is presented along with intended and unintended outcomes. The seven process steps presented includes 1) implement a hiring freeze, 2) design and approve process, 3) collect data, 4) determine which positions to eliminate, 5) notify directors and managers, 6) implement RIF, and 7) notify employees.

INTRODUCTION

This reflective case history explores a legislatively required Reduction-in-Force (RIF) in a public sector organization. The Texas Education Agency (TEA) is the state department of K-12 education for Texas and implements the directives of the State Board of Education, which has statutory responsibility for establishing classroom curriculum standards and approving textbooks. TEA also has responsibility for distributing funding, monitoring grant programs, monitoring compliance with federal education standards and responding to parent, student and teacher complaints for over 1300 kindergarten through 12th grade public school districts and charter schools in the state of Texas in the United States. I served as the Director of Organization Development and Agency Wide Services (DOD) during the RIF and was responsible for guiding and facilitating an executive workgroup through the RIF from beginning to end.

As a result of the 82nd Texas Legislative session in 2011, TEA's full-time equivalent (FTE) employee authorization was reduced from 1038 FTEs to 826 or a 21% reduction in staff. Enlarging the challenge was TEA's last RIF, conducted in 2003, which had serious design, coordination and implementation

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shortcomings. Employees RIFed in 2003 learned their employment was terminated when they tried to log-on to their computers. When unable to do so (as their accounts had been frozen and locked for security purposes), they called information technology (IT) for support and were directed to human resources. They were often informed over the phone *by an IT person* that their access was denied because their employment was terminated. This lack of coordination between IT and the human resources division resulted in word quickly spreading throughout the organization that, if one could not log in, one was terminated. Further, the RIF demoralized the remaining staff with many choosing to leave TEA. Following the 2003 RIF, TEA struggled to fulfill its duties and responsibilities. Employee satisfaction survey data post 2003 RIF indicated a significant drop in employee satisfaction, a drop in satisfaction with management, and an overall culture in need of much improvement. This was the organizational backdrop against which the next RIF had to be planned and implemented.

EVIDENCE-BASED OCD INITIATIVE

Organizational Sponsors and Stakeholders

The Commissioner of Education (TEA's CEO) at the time, Robert Scott, convened a group of executives to serve as an internal workgroup to design and implement the 2011 RIF. The members of the internal workgroup included the Commissioner's Chief of Staff, the Deputy Commissioner for Administration and Finance, the Deputy Commissioner for Policy and Programs, the Chief Financial Officer (CFO), the Special Assistant to the Commissioner, the Deputy General Counsel and myself, Director of Organization Development and Agency Wide Services (DOD). These seven people were tasked with designing and implementing the RIF.

As the DOD with responsibility for Human Resources, my major concern and primary objective was that the 2011 RIF be humane, well-coordinated, and as pain-free as possible given the circumstances. My colleagues had different objectives. The Chief of Staff was concerned about the political ramifications of the RIF for TEA, the Commissioner of Education and the Governor. The Chief of Staff frequently served as a "tie-breaker" or "mediator" when tensions increased in the workgroup. The Deputy Commissioner for Finance and Administration was concerned about both the financial and administrative impacts of the RIF. The Deputy Commissioner for Policy and Programs was concerned about ensuring remaining staff had the expertise needed to perform the agency's tasks. The CFO needed to ensure that TEA stayed within budget – a concern made much more complex by the multiple sources of funding (federal, state and grant) that were often intermingled in one position (i.e. a position could be funded 80% federal, 15% state and 5% grant). As each position had a unique funding pattern, financial projection models were prepared frequently throughout the process to ascertain the actual budget implications. The Commissioner's Special Assistant was concerned that the process be logical, thoughtful and reflective of the Commissioner's vision. The Deputy General Counsel was concerned that the process be lawful, legally defensible and free of bias or discrimination.

Additional internal stakeholders included the Human Resource (HR) Division, reporting to me, who were concerned about the process and what would be expected of them. Given the significant public and private critiques HR received after the 2003 RIF, they were very defensive. The Facilities Division was concerned about process logistics and maintaining workplace security. The IT division was concerned about securing and protecting organizational data. Most importantly, though, were the employees of