

# "A Painless Approach to Downsizing"

Thomas J. Nevins, a graduate of the School of Industrial and Labor Relations at Cornell being widely quoted in overseas publications, first came to Japan in 1972 as a labor researcher. Before establishing TMT in 1978, he worked with a number of Japanese companies and labor unions as a contract consultant. He has written a series of books dealing with personnel management and has contributed articles to many Japanese newspapers and magazines as well as being widely quoted in overseas publications. TMT is well known for combining services relating to personnel management, consulting, executive recruitment, outplacement and performance-enhancing training. His from-the-heart methods of downsizing have often resulted in willing acceptance of change by excess personnel.

**Q: First, would you explain the service your company provides?**

A: From the start, we have provided rules of employment, which are legally required in Japan for companies with more than ten employees; compensation and salary systems; union negotiations; and problem employee solutions, which

could be individual terminations or general staff reduction.

We provide these services on a consulting basis, developing communication skills and tools to actually deal directly, face to face, with the employees over a long period of time. This allows us to implement changes smoothly without damaging morale effects on the organization while giving a good boost to the employees in terms of the training we provide, both for those who are leaving and those who are staying.

We also have an executive search division which places Japanese executives primarily in foreign capitalized firms or joint ventures.

I would like to say, however, that it is not enough to have good rules of employment or good salary systems. We also need to energize people, to motivate them. When a person can define himself through awareness somewhat differently so that he spends his time in different ways and learns new things, he grows. He becomes excited and happy about his life, and that reflects on everyone around him.



**Q: How do you let people know about your services?**

A: We don't do much with sales. It is difficult to sell consulting services. I count on people reading my books and hearing about me from other people. I wouldn't want to push sales, to go out and say, "Don't you have people you would like to terminate?" We do run ads, but that is as far as I like to go. People come on the basis of reputation and word of mouth.

Then, when they come, we discourage them from downsizing if it is at all possible. Our first message is, are you sure this has to be done? Maybe they can get by with a new salary system, new rules of employment, some training. I believe that in all countries more should be done with what I call rehabilitation rather than hire and fire. TMT's philosophy is to find solutions through training, through getting a person to take responsibility for what he did or didn't do and getting him to change. Otherwise, he will pack up all his problems and inadequacies and take them along to the next company where he will face the same problems.

My preference is to deal with presidents of the companies who see that it is important to give people a chance. That termination may not be the best answer. We never force terminations. We do, however, ask for fairness. Say Tanaka-san is making

¥12million and Fuji-san is making ¥8million, and everyone in the organization believes that Tanaka-san is no better than Fuji-san. We ask Tanaka-san why he should be making so much more. We say we would like to have an adjustment. Now to get the person to accept that, with all the lawyers saying it can't be done, that has been my crusade. Because of the understanding I get by speaking the truth and explaining the fundamental messages about what will keep a company strong and what is good for the individual – well, because of all this, and the emphasis on training and skills in communication that I have developed. I am able to accomplish smoothly what must be done. This comes from imagination, creativity and thousands of hours of study, and I am proud of this accomplishment.

**Q: We often hear that something can't be done in Japan, or, that is not the way we do things in Japan. You are saying that we can do the things that others say can't be done.**

A: Absolutely. We are doing it. It can be done, but it can't be done automatically, and not everyone can do it. I do know, however, that if you use our facilities and our methods, we can make it happen. I can guarantee success.