

# **Michael Rabins' Commentary on "Informing Employees About Layoffs"**

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Informing Employees About Layoffs

Let us first consider the issues confronting Tony in part I of the case. Tony does make a compelling case about not wanting to be a Scrooge and ruin the Christmas holidays for his workers. Having personally been in somewhat similar circumstances (on both sides of the issue) earlier in my career, I can attest that it is very appealing for many reasons to adopt Tony's non-Scrooge stance, if all other things are equal. Unfortunately, they rarely are. For example what if one of Tony's workers is offered an attractive new employment opportunity over the holidays, and, not knowing about the impending layoffs, turns it down because he enjoys working for Tony so much? Or what if someone else personally purchases an expensive new instrument for his own tool chest that will enable him to do his job better for Tony? Or what if still another worker has signed up for an intensive three day short course over the holidays to improve his performance on the job for Tony?

There are many different scenarios that could emerge that would make it inconsiderate for Tony not to inform his workers immediately of the layoffs. In fact, just about the only scenario that would make it considerate is if all of the workers do not get involved in any personal or professional planning for the future over the holidays; an unlikely event. What is involved here is the golden rule or the Kantian respect for persons philosophy. Tony, as group leader, has the responsibility of thinking through his options, considering all of the possible consequences of his actions that he can, and then asking just how he himself would want to be treated if he were in the place of his workers. This is a tough situation for Tony to be in, but presumably he has demonstrated the necessary mental toughness for the job or else he would not have been promoted into it. Also, taking on these tough responsibilities is exactly what he is being paid for as an administrator.

In phase II of the case a different issue has arisen. Once Arnold has his embarrassing chance conversation with Ralph at the church Christmas Eve service, Tony now stands indicted of not just poor judgement but also insubordination. Depending upon

Tony's and Arnold's prior relationship, it is entirely possible that the angry telephone call from Arnold to Tony on Christmas Eve could end in Tony being fired. If Tony decides not to be a Scrooge and delay termination notification to his 15 workers until after Christmas, he must tell Arnold of that decision immediately. He cannot blindsides Arnold on this since there may be other factors that are involved that Arnold did not take the time to explain to Tony. For example there may be some year-end payroll considerations, or year-end benefit commitments that kick in if the workers are still on the payroll on January 1st. Aside from the insubordinate nature of Tony's action of not doing what Arnold tells him, it is just plain disloyal and, when you get down to it, stupid. The subsequent event between Arnold and Ralph certainly supports the shortsightedness of Tony not telling Arnold that he was going to delay his layoff notifications until after Christmas.