

The Downsizing Dilemma

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Because of competitive pressures and spiraling costs, your company is downsizing. As Vice-President of Human Resources, you argued for other cost-reduction strategies, but in the end the executive team voted for a 33 percent reduction-in-force. Now, you have to oversee the entire, painful restructuring. Beyond that, you have to shrink your own department by permanently laying off two of your six employees.

Below is a brief bio of each person who reports to you (other than your secretary, whom you get to keep). Each employee is a “generalist” who has been trained to perform most human resource department tasks, though some employees are more talented than others. The president is adamant that no one under age 55 should get an early retirement package and that all department heads need to be sensitive to EEO laws when making their layoff decisions. Otherwise, he has given you a lot of latitude to use whatever criteria you deem best.

Determine which two employees you’ll let go and discuss your criteria for making your decision.

Carla: Age 34, Hispanic, divorced, three years with the company, two of those years in your department. Carla has an Associate’s degree in business from a local community college and she’s an efficient worker. In fact, she was a runner-up for the company’s

“employee of the year” award last year, mostly because of her can-do attitude. But as a single mother of two young children, she’s had some child care challenges and more than occasionally arrives late or leaves early without giving much notice.

Stacy: Age 22, Black, single, and a recent college graduate with a 3.9 average in her major (psychology) and a minor in management. Stacy has been with you five months and is still a probationary employee, since all the company’s employees are probationary for their first six months. You think she has incredible potential, but because of her probationary status, your team would probably expect her to be the first to go.

Brenda: Age 26, Caucasian, single, four years with the company, one year in your department. Brenda is the company president’s only child and he’s joked that he’d someday like her to run the company. He probably knows better, though. His perfect little cherub is actually a spoiled brat and as a result, she’s a pathetic employee. Brenda works at her own casual pace and is prone to carelessness. On more than one occasion, she’s refused to accept an assignment you gave her, making the excuse that she had too many other tasks to complete. It’s also not uncommon to find Brenda filing her nails or making a personal call, rather than performing her job.

Lamar: Age 49, Black, 29 years with the company and 10 years in your department. Lamar started in the mail room and worked his way up to his current position. He has a high school diploma but no college education. His performance ratings over the past three years have been average to above average. Lamar is married with three grown children.

Derek: Age 28, Caucasian, newly married, ten months in your department, two years with the company. Derek has an MBA and has been rated as “excellent” the past two years. He also recently saved the company \$450,000 by finding a cheaper approach to providing health insurance for employees. Of all your employees, Derek probably has the greatest likelihood of finding an equivalent job outside the company.

Jeff: Age 47, Caucasian, 17 years with the company, all of those years in your department. Jeff has five children ages 8 to 20, two of whom are in college. Also, tragically, Jeff is recently widowed. Five years ago, after he got his MBA online, Jeff was the heir-apparent for your VP position, but his performance the past few years has slipped from above average to average to below average, coinciding with his wife’s illness and passing.