



human

Gary Dessler

tenth edition

resource management

Chapter 14

Part 5 Employee Relations

Ethics, Justice, and Fair Treatment in HR Management

*After studying this chapter,
you should be able to:*



- 1. Explain what is meant by ethical behavior at work.*
- 2. Discuss important factors that shape ethical behavior at work.*
- 3. Describe at least four specific ways in which HR management can influence ethical behavior at work.*
- 4. Employ fair disciplinary practices.*
- 5. List at least four important factors in managing dismissals effectively.*

Ethics and Fair Treatment at Work

➤ *Ethics*

- The principles of conduct governing an individual or a group; specifically, the standards you use to decide what your conduct should be.
- Ethical behavior depends on the person's frame of reference.

The Wall Street Journal Workplace-Ethics Quiz

Office Technology	Gifts and Entertainment	
1. Is it wrong to use company e-mail for personal reasons? <input type="checkbox"/> Yes <input type="checkbox"/> No	7. What's the value at which a gift from a supplier or client becomes troubling? <input type="checkbox"/> \$25 <input type="checkbox"/> \$50 <input type="checkbox"/> \$100	13. Is it OK to take a \$25 gift certificate? <input type="checkbox"/> Yes <input type="checkbox"/> No
2. Is it wrong to use office equipment to help your children or spouse do schoolwork? <input type="checkbox"/> Yes <input type="checkbox"/> No	8. Is a \$50 gift to a boss unacceptable? <input type="checkbox"/> Yes <input type="checkbox"/> No	14. Can you accept a \$75 prize won at a raffle at a supplier's conference? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Is it wrong to play computer games on office equipment during the workday? <input type="checkbox"/> Yes <input type="checkbox"/> No	9. Is a \$50 gift from the boss unacceptable? <input type="checkbox"/> Yes <input type="checkbox"/> No	Truth and Lies
4. Is it wrong to use office equipment to do internet shopping? <input type="checkbox"/> Yes <input type="checkbox"/> No	10. Of gifts from suppliers: Is it OK to take a \$200 pair of football tickets? <input type="checkbox"/> Yes <input type="checkbox"/> No	15. Due to on-the-job pressure, have you ever abused or lied about sick days? <input type="checkbox"/> Yes <input type="checkbox"/> No
5. Is it unethical to blame an error you made on a technological glitch? <input type="checkbox"/> Yes <input type="checkbox"/> No	11. Is it OK to take a \$120 pair of theater tickets? <input type="checkbox"/> Yes <input type="checkbox"/> No	16. Due to on-the-job pressure, have you ever taken credit for someone else's work or idea? <input type="checkbox"/> Yes <input type="checkbox"/> No
6. Is it unethical to visit pornographic Web sites using office equipment? <input type="checkbox"/> Yes <input type="checkbox"/> No	12. Is it OK to take a \$100 holiday food basket? <input type="checkbox"/> Yes <input type="checkbox"/> No	

Source: *Wall Street Journal*, October 21, 1999, pp. B1–B4; Ethics Officer Association, Belmont, MA; Ethics Leadership Group, Wilmette, IL; surveys sampled a cross-section of workers at large companies and nationwide.

Factors affecting ethical decisions

➤ *Normative judgments*

- Judging something as good or bad, right or wrong, better or worse.

➤ *Moral standards (Morality)*

- Society's accepted standards for behaviors that have serious consequences to its well-being.
 - Behaviors that cannot be established or changed by decisions of authoritative bodies.
 - Behaviors that override self-interest.

Ethics and Fair Treatment at Work (cont'd)

➤ *Ethics and the law*

- An behavior may be legal but unethical.
- An behavior may be illegal but ethical.
- An behavior may be both legal and ethical.
- An behavior may be both illegal and unethical.

Ethics, Fair Treatment, and Justice

➤ *Distributive justice*

- The fairness and justice of a decision's result.

➤ *Procedural justice*

- The fairness of the process by which the decision was reached.

➤ *Interactional (interpersonal) justice*

- The manner in which managers conduct their interpersonal dealings with employees.

Perceptions of Fair Interpersonal Treatment Scale

What is your organization like most of the time? Circle YES if the item describes your organization, NO if it does not describe your organization, and ? if you cannot decide.

IN THIS ORGANIZATION:

1. Employees are praised for good work	Yes	?	No
2. Supervisors yell at employees (R)	Yes	?	No
3. Supervisors play favorites (R)	Yes	?	No
4. Employees are trusted	Yes	?	No
5. Employees' complaints are dealt with effectively	Yes	?	No
6. Employees are treated like children (R)	Yes	?	No
7. Employees are treated with respect	Yes	?	No
8. Employees' questions and problems are responded to quickly	Yes	?	No
9. Employees are lied to (R)	Yes	?	No
10. Employees' suggestions are ignored (R)	Yes	?	No
11. Supervisors swear at employees (R)	Yes	?	No
12. Employees' hard work is appreciated	Yes	?	No
13. Supervisors threaten to fire or lay off employees (R)	Yes	?	No
14. Employees are treated fairly	Yes	?	No
15. Co-workers help each other out	Yes	?	No
16. Co-workers argue with each other (R)	Yes	?	No
17. Co-workers put each other down (R)	Yes	?	No
18. Co-workers treat each other with respect	Yes	?	No

Note:: R = the item is reverse scored.

Sources: Michelle A. Donovan et al., "The Perceptions of Their Interpersonal Treatment Scale: Development and Validation of a Measure of Interpersonal Treatment in the Workplace," *Journal of Applied Psychology* 83, no. 5 (1998), p. 692. Copyright © 1997 by Michelle A. Donovan, Fritz Drasgow, and Liberty J. Munson at the University of Illinois at Urbana-Champaign. All rights reserved.

Figure 14–2

What Shapes Ethical Behavior at Work?

- *Individual factors*
- *Organizational factors*
- *The boss's influence*
- *Ethics policies and codes*
- *The organization's culture*

Employees and Ethical Dilemmas

- *Questions employees should ask when faced with ethical dilemmas:*
- Is the action legal?
 - Is it right?
 - Who will be affected?
 - Does it fit the company's values?
 - How will it “feel” afterwards?
 - How will it look in the newspaper?
 - Will it reflect poorly on the company?

Principal Causes of Ethical Compromises

	Senior Mgmt.	Middle Mgmt.	Front-Line Supv.	Prof. Non- Mgmt.	Admin. Salaried	Hourly
Meeting schedule pressure	1	1	1	1	1	1
Meeting overly aggressive financial or business objectives	3	2	2	2	2	2
Helping the company survive	2	3	4	4	3	4
Advancing the career interests of my boss	5	4	3	3	4	5
Feeling peer pressure	7	7	5	6	5	3
Resisting competitive threats	4	5	6	5	6	7
Saving jobs	9	6	7	7	7	6
Advancing my own career or financial interests	8	9	9	8	9	8
Other	6	8	8	9	8	9

Note: 1 is high, 9 is low.

Sources: O.C. Ferrell and John Fraedrich, *Business Ethics*, 3rd ed. (New York: Houghton Mifflin, 1997), p. 28; adapted from Rebecca Goodell, *Ethics in American Business: Policies, Programs, and Perceptions* (1994), p. 54. Permission provided courtesy of the Ethics Resource Center, 1120 6th Street NW, Washington, DC: 20005.

Table 14–1

What Is Organizational Culture?

➤ *Organization culture*

- The characteristic values, traditions, and behaviors a company's employees share.

➤ *How is culture is revealed?*

- Ceremonial events
- Written rules and spoken commands.
- Office layout
- Organizational structure
- Dress codes
- Cultural symbols and behaviors
- Figureheads

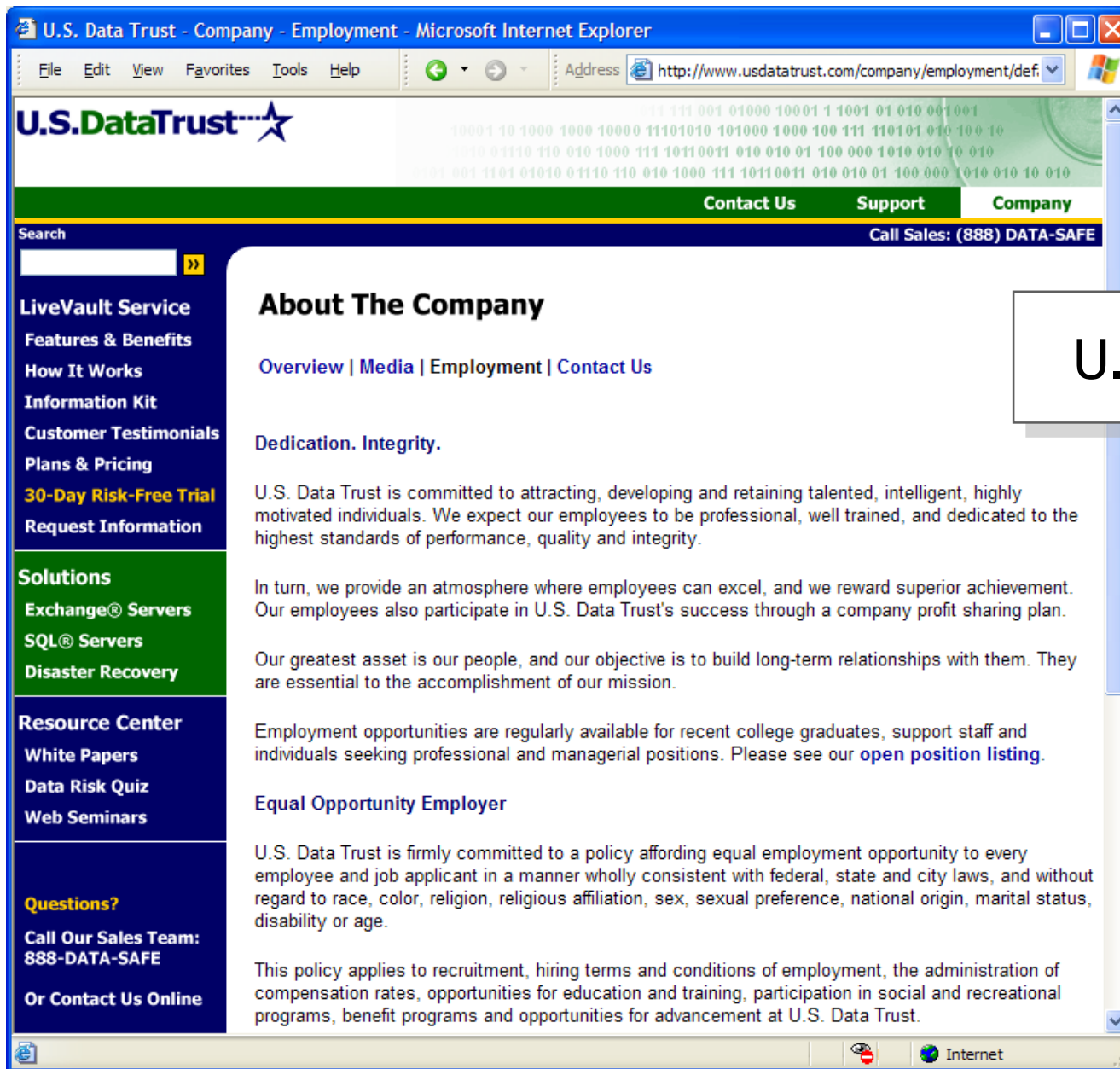
The Manager's Role in Creating Culture

- *Clarify expectations for values to be followed.*
- *Use signs and symbols to signal the importance of values.*
- *Provide physical (the firm's rewards) support for values.*
- *Use stories to illustrate values.*
- *Organize rites and ceremonies reinforcing values*

HR's Role in Fostering Ethics and Fair Treatment

➤ *Why treat employees fairly?*

- “They’re not employees, they’re people”
 - Management guru Peter Drucker
- Avoidance of employee litigation
- Enhanced employee commitment
- Enhanced satisfaction with the organization, with jobs, and with leaders
- Increased organizational citizenship behaviors



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Figure 14–4

HR Ethics Activities

➤ *Staffing and selection*

- Fostering the perception of fairness in the processes of recruitment and hiring of people.
 - Formal procedures
 - Interpersonal treatment
 - Providing explanation

➤ *Training*

- How to recognize ethical dilemmas.
- How to use ethical frameworks (such as codes of conduct) to resolve problems.
- How to use HR functions (such as interviews and disciplinary practices) in ethical ways.

HR Ethics Activities (cont'd)

➤ *Performance appraisal*

- Appraisals that make it clear the company adheres to high ethical standards by measuring and rewarding employees who follow those standards.

➤ *Reward and disciplinary systems*

- The organization swiftly and harshly punishes unethical conduct.

➤ *Workplace aggression and violence*

- Taking care that HR actions do not foster perceptions of inequities that translate into dysfunctional behaviors by employees.

Company ethics officials say they convey ethics codes and programs to employees using these training programs:

New hire orientation



Annual refresher training



Annual training



Occasional but not scheduled training



New employee follow-up sessions



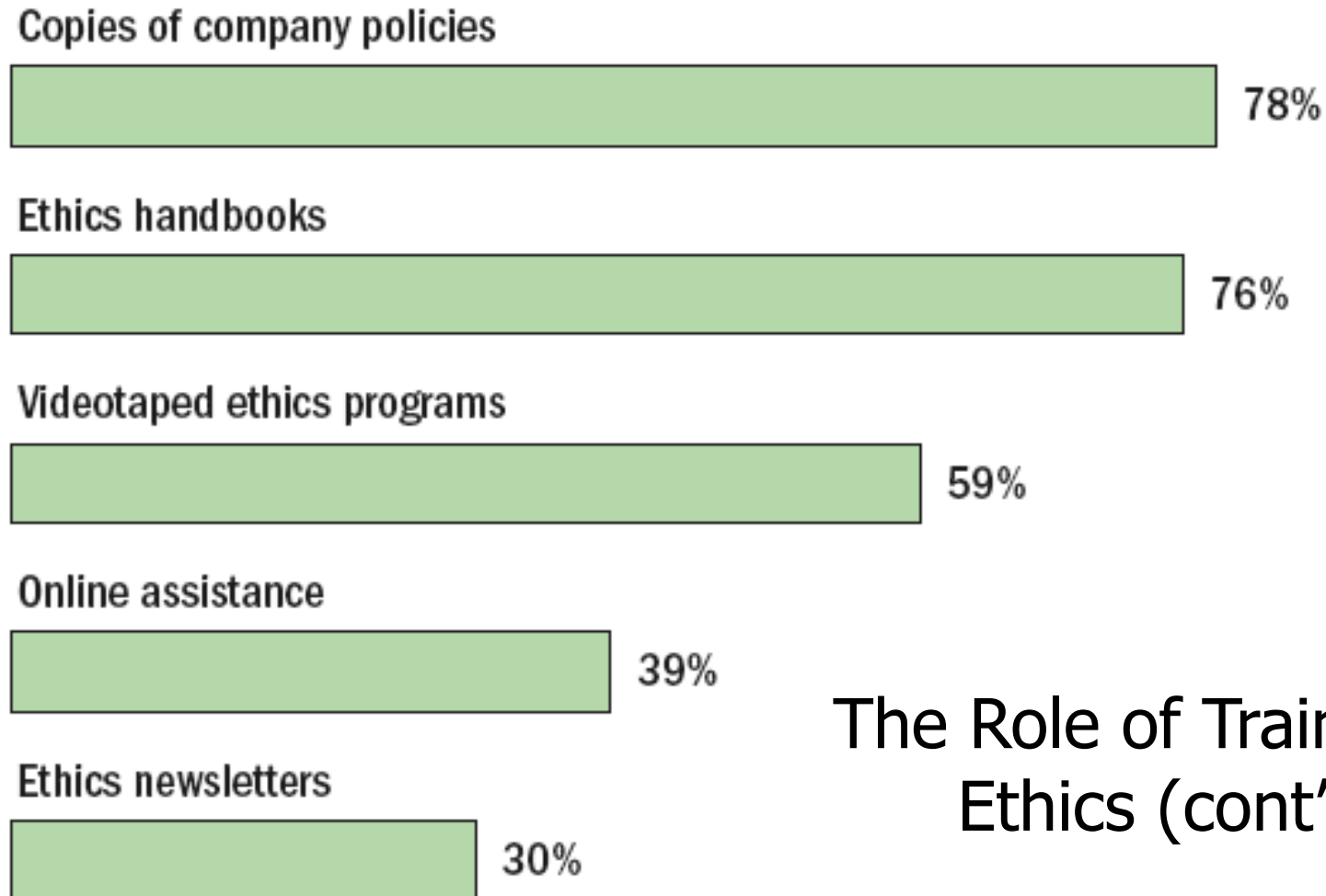
No formal training



The Role of Training in Ethics

Figure 14–5

Company ethics officials use these actual training tools to convey ethics training to employees:



The Role of Training in Ethics (cont'd)

Figure 14–5 (cont'd)

Building Two-Way Communications

- *Perceptions of fair treatment depend on:*
 - **Engagement**—involving individuals in the decisions that affect them by asking for their input and allowing them to refute the merits of others' ideas and assumptions
 - **Explanation**—ensuring that everyone involved and affected understands why final decisions are made and the thinking that underlies the decisions
 - **Expectation clarity**—making sure everyone knows up front by what standards they will be judged and the penalties for failure.

Employee Discipline and Privacy

- *Basis for a fair and just discipline process*
 - Clear rules and regulations
 - Define workplace issues
 - Inform employees
 - A system of progressive penalties
 - The range and severity of the penalty is a function of the offense and number of occurrences.
 - An appeals process
 - The right of the employee to grieve the decision helps to ensure that supervisors mete out discipline fairly and equitably.

Disciplining an Employee

- *Does the facts support the charge of employee wrongdoing?*
- *Were the employee's due process rights protected?*
- *Was the employee warned of disciplinary consequences?*
- *Was a rule violated and was it "reasonably related" to the efficient and safe operation of the work environment?*
- *Was the matter fairly and adequately investigated before administering discipline?*
- *Did the investigation produce substantial evidence of misconduct?*
- *Have rules, orders, or penalties been applied evenhandedly?*
- *Is the penalty reasonably related to the misconduct and to the employee's past work history?*
- *Did the employee have the right to counsel?*
- *Did anger, hearsay, or personal impression affect the decision?*

Disciplinary Action Form I

Disciplinary Action Form	
Date:	_____
Name:	_____
Dept.:	_____
Disciplinary Action:	
<input type="checkbox"/> Verbal* <input type="checkbox"/> Written <input type="checkbox"/> Written & Suspension <input type="checkbox"/> Discharge	
To the employee:	
Your performance has been found unsatisfactory for the reasons set forth below. Your failure to improve or avoid a recurrence will be cause for further disciplinary action.	
Details:	_____

A copy of this warning was personally delivered to the above employee by:	
Supervisor	_____
Date	_____
I have received and read this warning notice. I have been informed that a copy of this notice will be placed in my personnel file.	
Employee	_____
Date	_____
*Completion of this form shall serve as documentation only and should not be filed in the employee's personnel file.	

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Figure 14–6

Employee Grievance Form

NC STATE UNIVERSITY EMPLOYEE GRIEVANCE FORM	
To file a formal grievance, an employee is required to complete and submit this form to the Division of Human Resources in accordance with the guidelines of the University's regulation regarding Grievance - SPA, Grievance and Appeal . All sections must be completed. (Attach additional sheets if necessary.)	
A. EMPLOYEE INFORMATION	
Name _____	
Position Title _____ Department _____	
Campus Address _____ Work Telephone _____	
Home Address _____ Home Telephone _____	
Date of Incident _____ Supervisor _____	
B. Grievance Type: (please check one)	
<input type="checkbox"/> a violation or misapplication of university policies	
<input type="checkbox"/> a violation or misapplication of rules pertaining to employment in the respective department	
<input type="checkbox"/> inaccurate or misleading information in a personnel file	
<input type="checkbox"/> a violation or misapplication of applicable laws or regulations, including anti-discrimination laws	
<input type="checkbox"/> a suspension without pay, demotion, or dismissal	
<input type="checkbox"/> unlawful workplace harassment	
C. State the specific reason(s) for grievance:	

D. State the specific resolution being requested:	

Employee Signature _____	Date _____

Source: NC State University. Used with permission.

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Figure 14–6

Formal Disciplinary Appeals Processes

- *FedEx's guaranteed fair treatment multi-step program*
 - Step 1: Management review
 - Step 2: Officer complaint
 - Step 3: Executive appeals review

Discipline without Punishment (Nonpunitive Discipline)

1. *Issue an oral reminder.*
2. *Should another incident arise within six weeks, issue a formal written reminder, a copy of which is placed in the employee's personnel file.*
3. *Give a paid, one-day "decision-making leave."*
4. *If no further incidents occur in the next year, the purge the one-day paid suspension from the person's file.*

If the behavior is repeated, the next step is dismissal.

Employee Privacy

- *Employee privacy violations upheld by courts:*
 - Intrusion (locker room and bathroom surveillance)
 - Publication of private matters
 - Disclosure of medical records
 - Appropriation of an employee's name or likeness
- *Actions triggering privacy violations:*
 - Background checks
 - Monitoring off-duty conduct and lifestyle
 - Drug testing
 - Workplace searches
 - Monitoring of workplace

Employee Privacy (cont'd)

- *What do employers monitor about employees:*
 - E-mail activity
 - Internet use
 - Telephone calls
- *Employers monitor employees to:*
 - Improve productivity.
 - Protect from computer viruses
 - Detect leaks of confidential information
 - Guard against liability for illegal acts and harassment suits caused by employee misuse

Restrictions on Workplace Monitoring

- *The Electronic Communications Privacy Act (ECPA)*
 - The “business purpose exception” permits employers to monitor communications if they can show a legitimate business reason for doing so.
 - The “consent exception” allows employers to monitor communications if they have their employees’ consent to do so.
- *Common-law provides protections against invasion of privacy.*

Sample Telephone Monitoring Acknowledgement Statement

I understand that my telephone and e-mail communications will be monitored periodically by my supervisor and other [company] management staff. I understand that the purpose of this monitoring is to improve:

- The quality of customer service provided to policyholders and prospective customers
- My product knowledge and presentation skills

Signature

Date

Print Name

Department

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Figure 14–8

Managing Dismissals

➤ *Dismissal*

- Involuntary termination of an employee's employment with the firm.

➤ *Terminate-at-will rule*

- Without a contract, the employee can resign for any reason, at will, and the employer can similarly dismiss the employee for any reason (or no reason), at will.
- Limitations on “terminate-at-will”
 - Violation of public
 - Implied contract
 - Good faith

Managing Dismissals (cont'd)

➤ *Limitations on terminate-at-will*

— Public policy exception

- Discharge is wrongful when it was against an explicit, well-established public policy: employee fired or refusing to break the law.

— Implied contract exception

- Employer statements about future employment create a contractual obligation for the employer to continue to employ the employee.

— Covenant of good faith exception

- Suggests that employers should not fire employees without good cause.

Grounds for Dismissal

- *Unsatisfactory performance*
 - Persistent failure to perform assigned duties or to meet prescribed standards on the job.
- *Misconduct in the workplace*
 - Deliberate and willful violation of the employer's rules: stealing, rowdy behavior, and insubordination.
- *Lack of qualifications for the job*
 - An employee's inability to do the assigned work although he or she is diligent.
- *Changed requirements or elimination of the job.*
 - An employee's inability to do the work assigned, after the nature of the job has changed.
 - Elimination of the employee's job.

Insubordination

1. Direct disregard of the boss's authority.
2. Flat-out disobedience of, or refusal to obey, the boss's orders—particularly in front of others.
3. Deliberate defiance of clearly stated company policies, rules, regulations, and procedures.
4. Public criticism of the boss. Contradicting or arguing with him or her is also negative and inappropriate.
5. Blatant disregard of reasonable instructions.
6. Contemptuous display of disrespect and, portraying these feelings while on the job.
7. Disregard for the chain of command, shown by going around the immediate supervisor or manager with a complaint, suggestion, or political maneuver.
8. Participation in (or leadership of) an effort to undermine and remove the boss from power.

Managing Dismissals (cont'd)

- *Foster a perception of fairness in the dismissal situation by:*
 - Instituting a formal multi-step procedure (including warning).
 - Having a supervising manager give full explanations of why and how termination decisions were made.
 - Establishing a neutral appeal process also fosters fairness.

Avoiding Wrongful Discharge Suits

➤ *Bases for wrongful discharge suits:*

- Discharge does not comply with the law.
- Discharge does not comply with the contractual arrangement stated or implied by the firm via its employment application forms, employee manuals, or other promises.

➤ *Avoiding wrongful discharge suits*

- Set up employment policies and dispute resolution procedures that make employees feel treated fairly.
- Do the preparatory work that helps to avoid such suits.

Typical Severance Pay

- Nonexempt employee—one week of pay for each year with a minimum of four weeks and maximum of two months.
- Exempt employee to \$90,000—two weeks for each year with a minimum of two months and a maximum of six months.
- Exempt employee over \$90,000 to director or VP level—two to three weeks for each year with a minimum of three months and maximum of nine months.
- Director or VP to company officer—three weeks for each year with a minimum of four months and maximum of a year.
- Officer—usually covered by an employment contract or Change of Control provisions and can be all the way from one year of pay to three or four years, with other perks that may be continued.

Steps in Avoiding Wrongful Discharge Suits

- Have applicants sign the employment application and make sure it contains a clearly worded statement that employment is for no fixed term and that the employer can terminate at any time.
- Review your employee manual to look for and delete statements that could prejudice your defense in a wrongful discharge case.
- Have clear written rules listing infractions that may require discipline and discharge, and then make sure to follow the rules.
- If a rule is broken, get the worker's side of the story in front of witnesses, and preferably get it signed. Then make sure to check out the story, getting both sides of the issue.
- Be sure to appraise employees at least annually. If an employee shows evidence of incompetence, give that person a warning and provide an opportunity to improve. All evaluations should be in writing and signed by the employee.
- Keep careful confidential records of all actions such as employee appraisals, warnings or notices, memos outlining how improvement should be accomplished, and so on.

Steps in Avoiding Wrongful Discharge Suits (cont'd)

➤ A final 10-step checklist would include:

1. Is employee covered by any type of written agreement, including a collective bargaining agreement?
2. Have any representations been made to form a contract?
3. Is a defamation claim likely?
4. Is there a possible discrimination allegation?
5. Is there any workers' compensation involvement?
6. Have reasonable rules and regulations been communicated and enforced?
7. Has employee been given an opportunity to explain any rule violations or to correct poor performance?
8. Have all monies been paid within 24 hours after separation?
9. Has employee been advised of his or her rights under COBRA?
10. Has employee been advised of what the employer will tell a prospective employer in response to a reference inquiry?

TJP INC. EMPLOYEE HANDBOOK ACKNOWLEDGMENT FORM

This employee handbook has been given to _____

on (date) _____

by _____ (title) _____

Employee's effective starting date _____

Employee's pay period _____

Employee's hours and workweek are _____

Welcome to TJP Inc. Below are a list of your benefits with their effective date:

Benefit	Effective Date
Hospitalization _____	_____
Life insurance _____	_____
Retirement _____	_____
Vacation _____	_____
Sick leave _____	_____
Holidays _____	_____
Personal days _____	_____
Bereavement _____	_____
Worker's compensation _____	_____
Social Security _____	_____
Your first performance appraisal will be on _____	_____

I understand that my employee handbook is for informational purposes only and that I am to read and refer to the employee handbook for information on employment work rules and company policies. TJP Inc. may modify, revoke, suspend or terminate any and all policies, rules, procedures and benefits at any time without prior notice to company employees. This handbook and its statements do not create a contract between TJP Inc. and its employees. This handbook and its statements do not affect in any way the employment-at-will relationship between TJP Inc. and its employees.

(Employee's signature) _____

(Date) _____

TJP Inc. Employee Handbook Acknowledgment Form

Figure 14–10

Personal Supervisory Liability

➤ *Avoiding personal supervisory liability:*

- Be familiar with federal, state, and local statutes and know how to uphold their requirements.
- Follow company policies and procedures
- Be consistent application of the rule or regulation is important.
- Don't administer discipline in a manner that adds to the emotional hardship on the employee.
- Do not act in anger.
- Utilize the HR department for advice regarding how to handle difficult disciplinary matters.

The Termination Interview

➤ *Plan the interview carefully.*

- Make sure the employee keeps the appointment time.
- Never inform an employee over the phone.
- Allow 10 minutes as sufficient time for the interview.
- Use a neutral site, never your own office.
- Have employee agreements, the human resource file, and a release announcement (internal and external) prepared in advance.
- Be available at a time after the interview in case questions or problems arise.
- Have phone numbers ready for medical or security emergencies.

The Termination Interview (cont'd)

➤ *Get to the point.*

- Do not beat around the bush by talking about the weather or making other small talk.
- As soon as the employee enters, give the person a moment to get comfortable and then inform him or her of your decision.

➤ *Describe the situation.*

- Briefly explain why the person is being let go.
- Remember to describe the situation rather than attack the employee personally
- Emphasize that the decision is final and irrevocable.

The Termination Interview (cont'd)

➤ *Listen.*

- Continue the interview until the person appears to be talking freely and reasonably calmly about the reasons for his or her termination and the support package (including severance pay).

➤ *Review all elements of the severance package.*

- Describe severance payments, benefits, access to office support people, and the way references will be handled. However, under no conditions should any promises or benefits beyond those already in the support package be implied.

The Termination Interview (cont'd)

➤ *Identify the next step.*

- The terminated employee may be disoriented and unsure what to do next.
- Explain where the employee should go next, upon leaving the interview.

Termination Assistance

➤ *Outplacement Counseling*

- A systematic process by which a terminated employee is trained and counseled in the techniques of conducting a self-appraisal and securing a new job appropriate to his or her needs and talents.
 - Outplacement does not imply that the employer takes responsibility for placing the person in a new job.
 - Outplacement counseling is part of the terminated employee's support or severance package and is often done by specialized outside firms.

Termination Assistance (cont'd)

➤ *Outplacement firms*

- Can help the employer devise its dismissal plan regarding:
 - How to break the news to dismissed employees.
 - Deal with dismissed employees' emotional reactions.
 - Institute the appropriate severance pay and equal opportunity employment plans.

Interviewing Departing Employees

➤ *Exit Interview*

- Its aim is to elicit information about the job or related matters that might give the employer a better insight into what is right—or wrong—about the company.
 - The assumption is that because the employee is leaving, he or she will be candid.
 - The quality of information gained from exit interviews is questionable.

Exit Interview Questions

- How were you recruited?
- Why did you join the company?
- Was the job presented correctly and honestly?
- Were your expectations met?
- What was the workplace environment like?
- What was your supervisor's management style like?
- What did you like most/least about the company?
- Were there any special problem areas?
- Why did you decide to leave, and how was the departure handled?

The Plant Closing Law

➤ *Worker Adjustment and Retraining Notification Act (1989)*

- Requires employers of 100 or more employees to give 60 days' notice before closing a facility or starting a layoff of 50 people or more.
- The law does not prevent the employer from closing down, nor does it require saving jobs.
- The law is intended to give employees time to seek other work or retraining by giving them advance notice of the shutdown.

The Plant Closing Law (cont'd)

➤ *Worker Adjustment and Retraining Notification Act (1989)*

— Employment losses covered by the law:

- Terminations other than discharges for cause, voluntary departures, or retirement
- Layoffs exceeding six months
- Reductions of more than 50% in employee's work hours during each month of any six-month period.

— Penalty for failing to give notice

- One day's pay and benefits to each employee for each day's notice that should have been given, up to 60 days.

Layoffs

- *Layoff are not terminations.*
- *Temporary layoffs occur when:*
 - There is no work available for employees.
 - Management expects the no-work situation to be temporary and probably short term.
 - Management intends to recall the employees when work is again available.

Bumping/Layoff Procedures

- Seniority is usually the ultimate determinant of who will work.
- Seniority can give way to merit or ability, but usually only when no senior employee is qualified for a particular job.
- Seniority is usually based on the date the employee joined the organization, not the date he or she took a particular job.
- Companywide seniority allows an employee in one job to bump or displace an employee in another job, provided the more senior person can do the job without further training.

Alternatives to Layoffs

- Voluntarily reducing employees' pay to keep everyone working.
- Concentrating employees' vacations during slow periods.
- Taking voluntary time off to reduce the employer's payroll.
- Taking a “rings of defense approach” by hiring temporary workers that can be let go early.
- Offering buyout packages to find enough volunteers to avoid dismissing people.

Adjusting to Downsizings and Mergers

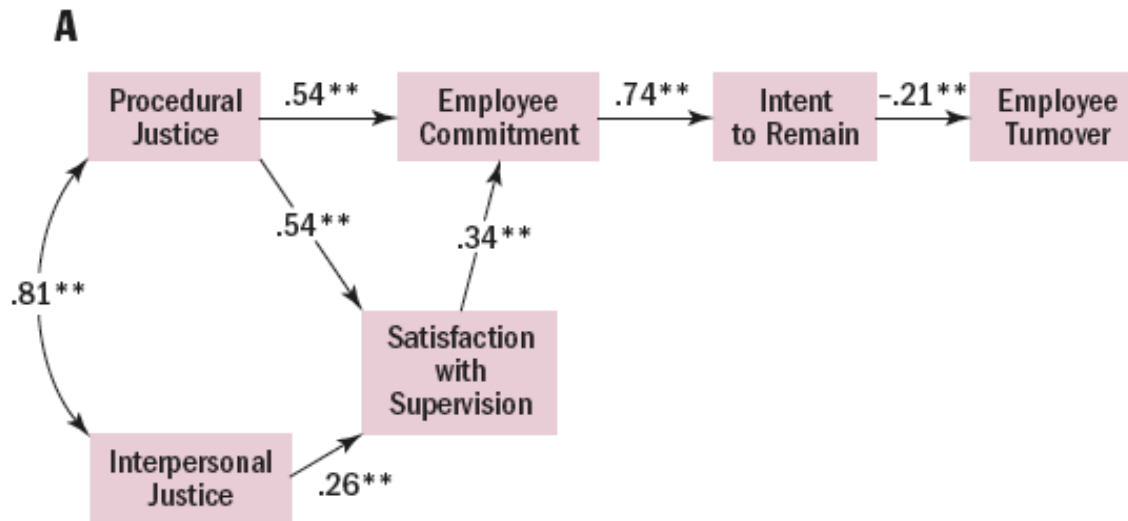
➤ *Guideline for implementing a reduction in force:*

- Identify objectives and constraints.
- Form a downsizing team.
- Address legal issues.
- Plan post-reduction actions.
- Address security concerns.

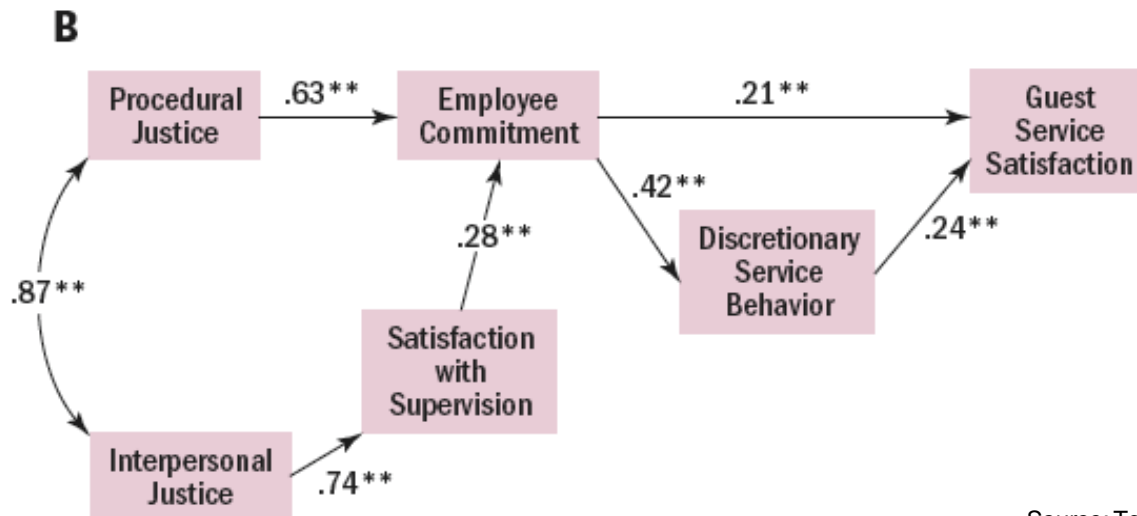
Adjusting to Downsizings and Mergers (cont'd)

- *Guidelines for treatment of departing employees during a merger:*
 - Avoid the appearance of power and domination.
 - Avoid win–lose behavior.
 - Remain businesslike and professional.
 - Maintain a positive feeling about the acquired company.
 - Remember that how the organization treats the acquired group will affect those who remain.

Employee Morale and Behavior Improves When Justice Prevails

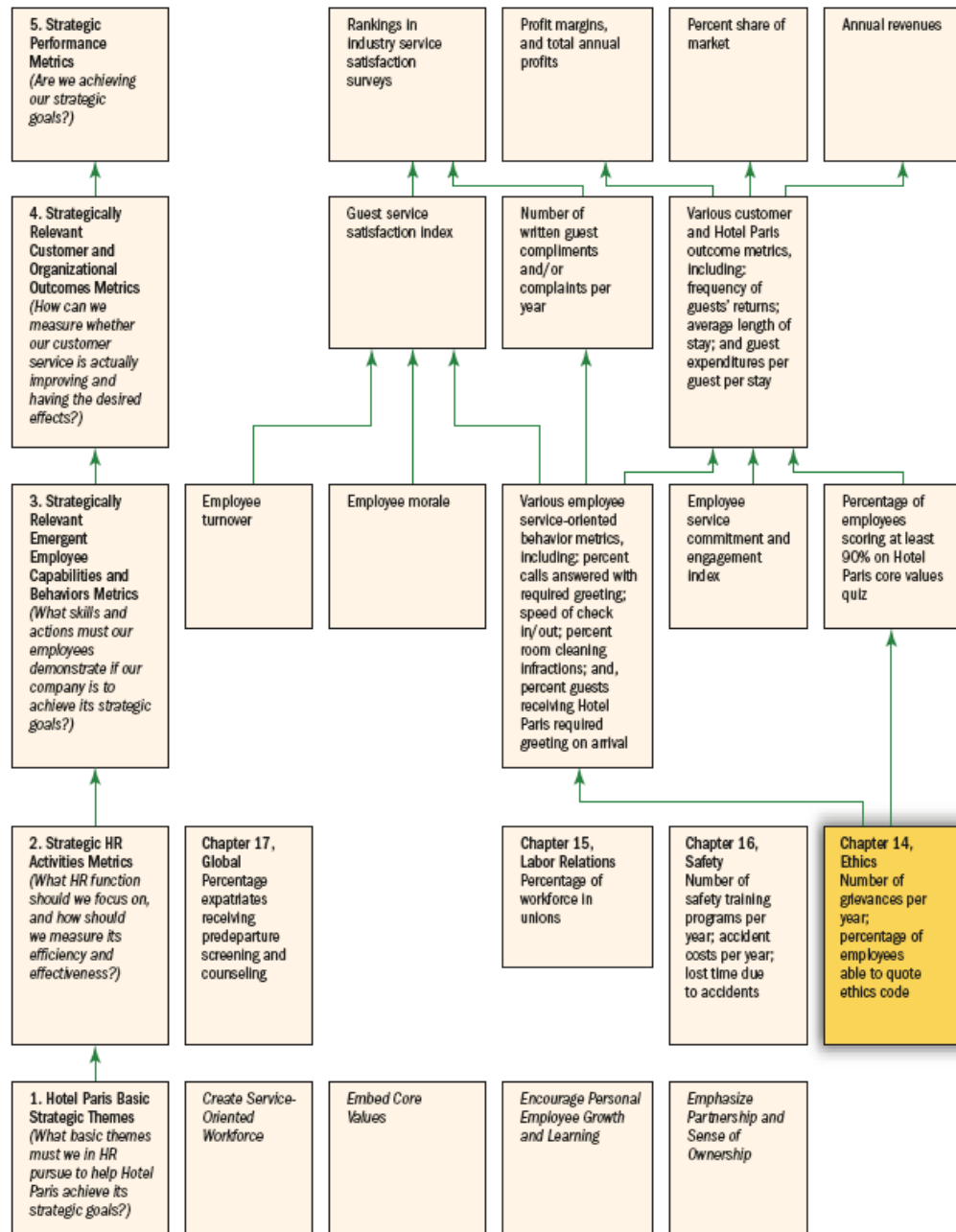


Results of hotel-level path analysis predicting employee turnover.



Results of hotel-level path analysis predicting customer service.

Source: Tony Simons and Quinetta Roberson, "Why Managers Should Care about Fairness. The Effects of Aggregate Justice Perceptions on Organizational outcomes," *Journal of Applied Psychology* 88, no. 3 (2003), p. 432.



HR Scorecard for Hotel Paris International Corporation*

*Note: *(An abbreviated example showing selected HR practices and outcomes aimed at implementing the competitive strategy, "To use superior guest services to differentiate the Hotel Paris properties and thus increase the length of stays and the return rate of guests and thus boost revenues and profitability")*

Figure 14–12

Key Terms

ethics

distributive justice

procedural justice

**interactional (interpersonal)
justice**

organizational culture

nonpunitive discipline

Discipline without punishment

**Electronic Communications
Privacy Act (ECPA)**

dismissal

unsatisfactory performance

misconduct

insubordination

wrongful discharge

termination interview

outplacement counseling

exit interviews

bumping/layoff procedures

downsizing