

## Why Me? Procedural Justice in the Layoff Process

The reason for a layoff may be painfully obvious to you, as a manager, as being economically driven. The decision to let workers go may have absolutely nothing to do with the workers' performance. However, workers targeted for layoff may have lingering doubts about whether it was something about them. Was there a shortcoming in the job performance? Did a personal characteristic, such as age, race, or gender, cause them to be singled out? These kinds of concerns, if not addressed and allowed to fester, can lead to negative attitudes among the remaining employees and can lead to the dismissed worker to consider filing a charge of discrimination. It is important to clearly describe to the procedures for a layoff.

Assuming that layoffs are needed, there are a few basic choices for how you identify the workers to be laid off. One approach is to apply the seniority principle of last in, first out. Another option is to base the layoff decisions on merit. That is, the poorest performing workers would be the ones laid off. Some organizations also use a random basis for selecting workers to be laid off. An advantage of a random selection procedure is that there is no favoritism or bias in the process. Whatever the approach used it is important that workers understand the process and accept it as a just procedure.

### Questions

1. Which of the three approaches do you think is the most procedurally just basis for selecting workers to be laid off?
2. Let's suppose that your organization rated most workers as performing above average. In most cases then, you don't have a reason to use a merit-based layoff selection. What approach would you recommend in that situation?
3. Some organizations try to withhold any preliminary information about impending layoffs because it is assumed that a downturn in productivity will occur. Do you think this is a good approach? Why?

A number of organizations are engaging in smaller job cuts spaced out over time. This approach has been referred to by some managers as "stealth layoffs". Google information on stealth layoffs from various sources. Why would a company take that approach? Evaluate the approach in terms of worker perception of procedural justice.