

Can ethical
downsizing exist?



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BUSTER**

No matter how loyal employees are to firms and how valuable employees are to some companies, there comes a time when downsizing will occur, it is part of business culture, and that will never change. When corporations are faced with this dilemma, it may be one that saves a company financially, and managers must make the hard choice of who to let go, unfortunately, there is no easy way for this to happen. However, if handled unethically, it can have an adverse effect on the corporation, because how people are treated is what counts, especially to the ones that are still employed. In this essay, I will present my ideas that show there are ways for downsizing to take place in an ethical manner while considering the movie “ Up in the Air.” In the film, “ Up in the Air,” how corporations outsourced the downsizing of employees to a consulting firm immediately showed that the companies did not value their people nor did they have any respect for them. It was handled in an impersonal manner, which only reaffirmed that these people being let go were only viewed as a cost. If you are going to downsize, it needs to be handled personally, professionally, and behind closed doors, not out in the open, in glass rooms or via computer screens. In the film, Natalie Keener doesn't realize that even though she brings up severance pay and job search help in hopes of comforting the employee, that it is her presence in the meeting that is just as upsetting to the employees as losing their job because the situation is unprofessional.

Ethical layoffs need to be handled professionally by the manager in a private setting where no one else can hear the conversation. When you are dealing with fellow human beings' life's, it must be handled with respect and compassion. Therefore, you do not set a specific time limit per employee;

you allow them as much time as needed to process the situation so they can handle it with dignity. When you have a genuine concern for someone else's wellbeing, even during a layoff, give them time to collect their things and say goodbye to their co-workers who may be friends.

Downsizing affects everyone at a company, and therefore it must be handled ethically. This can be accomplished by treating employees by the golden rule. You must treat people with compassion, respect, and dignity, not just the ones you are letting go, but the ones who are still employed. How companies handle the situation speaks volumes, if the remaining employees witness the layoffs the way they were treated in the movie, it shows them they are nothing more than a piece of faulty equipment being thrown out. However, if they witness the situation ethically, it shows them that even though this had to happen it was a last resort and the company feels bad about letting an asset go. A smooth transition process that treats people with dignity and respect is vital to the morale of the remaining employees; if not, cancer will spread like wildfire amongst the ranks. Which will generate further doubt in their minds, and they will assume that the way their ex-coworkers were treated is how they will be treated, which means profits could decrease further because remaining employees will begin to look for another job. Even though the movie displays all the companies as unethical, there are some forms of ethical downsizing in the film that attempted to help the employees with the transition. For example, offering severance pay, health benefits, and job search support from the company. Although the film does not show what type of workers these people were, ethical downsizing can do other things to help employees. For example, if you have an

employee who is a good worker you can tell them they can use you as a reference such as Ryan Bingham did for Natalie in the movie, or even inform them you will make phone calls on their behalf. Another way that managers can help employees during a downsize situation is going to bat for them and offer a better solution like an employee transfer. If the layoffs are due to reducing cost, this noble idea may fit that bill. If so, the department accomplished what the layoff intended, but the company itself does not lose an asset. By doing so, it provides two solutions. First it is a way to help an employee who might be fired and it also prevents the company from having to spend even more money to train someone new. Another decent downsize option is for businesses that know cuts will be coming down the line managers can help make the employees more marketable. For example, in 2013, when I was teaching for Siemens, I found out from some students that Bayer Pharmaceutical in San Francisco had planned a major downsize. Because of this Bayer told all the employees that would be affected to register for as many certification classes they wanted so they could strengthen their resumes and Bayer would pay for the classes; \$1500. 00 to \$2500. 00 per Siemens certification. Although Bayer was letting them go, they handled it in an ethical manner and paid over \$10, 000 for classes for each person. This form of ethical downsizing helps heal the wound of losing your job. It also shows that a company cares about these employees by demonstrating compassion, understanding, and a willingness to help them find other employment. When companies follow Bayer's example and allocate resources to help employees, they reduce the harm caused by downsizing.

When it comes to downsizing ethically, being honest and open with the employees that are being let go is the best practice. Per Bowie in chapter three, some laws prevent firing based on age, race, religion, and ethnic status. However, there is nothing that protects employees from employment at will. Therefore, being honest and letting them know what the grounds for termination are, might give them closure. It also allows them time to get their resume out to potential employers. However, honesty goes beyond letting employees know they are being fired. There is a moral obligation that all companies need to adhere to, and that is to keep all employees informed about circumstances that affect their job security and the company as well. According to Kant, Employees have dignity and therefore have autonomy and self-governance, which means they are entitled to respect. Being honest provides one of the basic needs of human beings and that is “ people want reasons for how others treat them.” (Bowie, pg. 44)

In conclusion, in the business world there are factors that happen that cannot be controlled and therefore require downsizing. Even though the movie does not provide insight as to the reason for the downsize, one would hope that the companies came to a decision as a last resort; that all other possible solutions were exhausted. However, if corporations decide to downsize due to financial circumstances, they should do so in an ethical manner. In this paper, I presented ideas that support the thesis that ethical downsizing can take place. Some of those were being professional and handling the situation on a personal level by showing compassion, respect, and understanding of the situation. Additionally, make every attempt possible to make the transition smoother to another job, such as being a

reference, making calls to colleagues at other companies, and helping them improve their job skills.

Work Cited:

Bowie, N and Werhane, P. (2005). *Management Ethics*. Oxnard: Blackwell Publishing