

## Managerial Class Exercise - Laying-Off Employees

You have been hired as a management consultant by Walker Space Incorporated (WSI). The firm has been a subcontractor on many large space contracts which have been acquired by firms such as North American Rockwell and others.

With the cutback in many of the National Aeronautics and Space Administration programs, Walker has an excess of employees. Your assignment is to help WSI make cutbacks by reducing the engineering section of the company from ten employees to seven. The longer a person has been with the company, the more that person will be owed in a pension when he or she retires.

Examine the following summaries of each person's resume and write a brief report in which you explain who should be let go and why. Carefully lay out the criteria you used in making your decisions, and make suggestions as to how you might go about making the terminations. You may also have to defend your choices in an oral presentation to the Board of Directors of the company. It is up to you to decide whether sociability and concerns for the individual should influence your decision. (The individuals described below are purely fictitious; any resemblance to real people is coincidental.)

**1. Al Bino** - Age 26, married, two children. Al has been with WSI for a year and a half. He is a very good engineer, with a degree from Rochester Institute of Technology. He's held two prior jobs and lost both of them because of cutbacks in the space program. He moved all the way to Connecticut from California to take this job. Bino is well-liked by his co-workers.

**2. Andy Gibbons** - Age 25, single. Gibbons is an African-American and the company looked hard to get Gibbons because of affirmative action pressure. He is not very popular with his co-workers. Since he has been employed less than a year, not much is known about his work. On his one evaluation (which was average) Gibbons accused his supervisor of bias against black employees. He is a graduate of Detroit Institute of Technology.

**3. Carol Scotton** - Age 59, married, three children, two currently in college. Scotton is a graduate of the "school of hard knocks." After serving in the military, she started to go to school, but her family expenses were too much, so she dropped out. Scotton has worked at the company for 25 years. Her ratings were excellent for 15 years. The last five years they have been average. Scotton feels that her supervisors grade her down because she doesn't have a lot of fancy diplomas covering her office walls.

**4. Andy Hertel** - Age 32, married, no children. Hertel is well-liked by his co-workers. He has been at WSI five years, and has a B.S. and M.S. in engineering from Iowa State University. Hertel's ratings have been mixed. Some supervisors rated him high, some average. Hertel's wife is an M.D.

**5. Jonathan Powers** - Age 29, single. Powers is a real worker, but a loner. He has a B.S. in engineering from the University of California. He is working on his M.S. at night; always trying to improve his technical skills. His performance ratings were above average for the three years he has been employed by at WSI.

**6. Rich Stout** – Age 43, Divorced, two children, He has a B.S. in engineering from Cornell University. Andersen is very active in community affairs: Scouts, Little League, United Way. He is a friend of the vice-president through church work. His ratings have been average, although some recent ones indicate that he is out of date. He is well-liked and has been employed at WSI for 14 years.

**7. John Spittell** - Age 50, married, five children. He has a B.S. in engineering from Georgia Tech. Spittell headed this section at one time. He worked so hard that he had a heart attack, possibly made worse by his Red Bull addiction. Under doctor's orders, he resigned from the supervisory position. Since then he has done good work, although because of his health, he is a bit slower than the others. Now and then, he must spend extra time on a project because he did get out of date during the eight years he headed the section. His performance evaluations for the last two years have been above average. He has been employed at WSI for 14 years.

**8. Tim Kasser** - Age 47, single. He began an engineering degree at M.I.T. but had to drop out for financial reasons. He tries hard to stay current by regular reading of engineering journals and taking all the short courses the company and nearby colleges offer. His performance evaluations have varied, but they tend to be average to slightly above average. He is a loner and his boss thinks that this has negatively affected his performance evaluations. He has been employed at WSI 16 years.

**9. Heather Hoffmann** - Age 23, single. She has a B.S. in engineering technology from Rensselaer Polytechnical Institute. Hoffmann has been employed less than a year. She is enthusiastic, a very good worker, and is well-liked by her co-workers. She is well regarded by her boss, and the company was happy to be able to hire her as WSI was under pressure to add more female engineers to its staff.

**10. John Dooley** – Age 38, married with one child. Dooley has a Bachelor's Degree in mathematics and was a high school teacher for ten years. He sharpened his programming skills while working as a teacher, and he was hired at Walker Space after consulting with them on an internship program for talented high school students. He has been at WSI for six years, and his evaluations have consistently been very good. However, he has been disciplined for drinking in the parking lot on his lunch hour, and he had a brief, scandalous love affair with a senior vice-president who is now looking for an excuse to get rid of him (The affair ended badly).