W. Gale Cutler's Commentary on "Informing Employees About Layoffs"

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Informing Employees About Layoffs

The significant point about which this case revolves is "credibility." If management is to be credible (trustworthy, believable) in the eyes of its employees communications to employees must be open, prompt and honest. A supervisor (in this case, Tony) has the responsibility of communicating to his workers. This communication usually involves passing on information that has been communicated to the supervisor from upper levels of management. It is a part of Tony's job to carry out this communication process and to do so in such a manner that he preserves his credibility and that of the management to which he reports. This responsibility for communicating promptly to the workers supervised is a part of the maintenance of the supervisor's credibility and this communication responsibility is not relieved just because the news is bad!

One can infer from Tony's handling of his communication responsibility by delaying the delivery of bad news that he would have functioned differently had the news been good. Had Arnold asked that Tony inform all the people he supervised that they would get a surprise Christmas bonus, you can imagine Tony would have communicated this news promptly and efficiently. Some supervisors fall easily into the trap of only passing on good news and/or favorable comments. Of course, in so doing, they are undermining their own credibility when the worker finds out through other channels that some information has been withheld.

In the Tony-Ralph-Arnold situation Tony has damaged his reputation and credibility with both Arnold and Ralph. Arnold has every right to be angry and disillusioned with Tony for failing to carry out his responsibility as a supervisor. Although Tony may feel that he was right to wait until after Christmas to deliver bad news to Ralph, in doing so he has caused Ralph to lose any faith he had in the credibility of his supervisor.

Shirley, too, will not only suffer a financial loss but will be reluctant to trust the next supervisor for which she works.

An excellent organizational climate exists when confidence and trust prevail throughout an organization. Management has trust in the employees and the employees have trust in management. In such an organization whenever management presents something in words, either orally or in writing, this communication is perceived by the employees as being true. If the actions of managers are consistent with their words, managers have considerable credibility in the eyes of the employees. Confidence and trust are an outcome of authenticity. Tony's single act of delaying the communication of the "before Christmas layoff" has dealt a serious blow to the confidence and trust the employees have in management in his organization.

The workers Tony supervises will be reluctant to trust him as a communicator and supervisor in the future. Upper management, too, will have lost its trust in Tony's competence as a supervisor and may very well be justified in relieving him of supervisory duties.