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TERMINATIONS: AN EXPERIENTIAL REVIEW

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ABSTRACT

Experiential exercises involving the termination process have increased rapidly in the last few years in organizational behavior and human resources courses. Many of these exercises focus on different aspects of the termination process from the decision to terminate through the interview with the affected employee. The popularity of these exercises can be attributed to the professional concern for the termination process that has been generated in management literature recently. It can also be traced to the many basic management skills that can be demonstrated and/or practiced in the different exercises. This paper examines these exercises and illustrates how relevant feedback from the exercises can add a new dimension to the activity.

INTRODUCTION

The subject of employee termination has been a popular topic in recent years because of rapidly changing economic conditions and the increased awareness of social issues highlighted by equal employment legislation. The popularity of issues related to termination, and more importantly concerned with how a termination can be accomplished, is evidenced by increasing references in popular and professional literature.

Popular Appeals

In popular literature, several articles have recently appeared on the effect of being fired on the individual. Highlighted in these articles, exemplified by "Oh, By the Way, You're Fired" (1), are stories of how different companies carry out the termination decision and particularly, the impact of the termination on the personal and professional lives of the individuals fired. These articles often include information on

what steps an individual should take if they are terminated.

Professional Aspects

In management and human resources literature, several articles have appeared recently that deal with the termination process and how it might be organized within an organization. The content of the articles range from the philosophical position which an organization or an individual takes towards being fired to the development and operation of a company's outplacement program. Donald Sweet, in "What's Wrong with Being Fired?" (2) explores the attitudes of individuals and society towards being fired. Sweet contends that termination from a job is the only one of the three major traumatic separations that occurs in an individual's life that generates few offers of help or sympathy. His major contention is that organizations should take a more positive attitude towards the termination of an employee and assist in developing greater individual attitudes toward a termination. He suggests that much of the evidence on terminations at the managerial level indicates that few terminations occur because of technical incompetence. More often it is a case of some specific managerial trait, i.e. failure to delegate effectively or a mismatch of employee-organizational personality.

In "Counseling Strategies for Involuntary Terminations" (3), Dennis Kravetz identifies different reactions, illustrated in Figure 1, that an employee might have to a termination. Kravetz emphasizes the need to recognize these stages to effectively terminate an employee and assist in assuring that the employee finds another job quickly, Kravetz supports a termination program that includes outplacement services and believes that a company should provide assistance to terminated employees in career decision-making and job hunting skills. The critical element in this process, however, is the initial recognition of the terminated employee's reaction to being fired.

FIGURE 1
PSYCHOLOGICAL REACTIONS TO TERMINATION

SHOCK AND DISBELIEF

"WHAT? HOW CAN YOU DO THIS TO ME?"

RAGE AND ANGER

"IT'S NOT MY FAULT, IT'S YOUR FAULT!"

DEFENSE MECHANISMS

"IT DOESN'T MATTER."

"IT'S ALL OVER, MY LIFE IS RUINED."

DISTRESS AND DESPAIR

"IF ONLY I HAD WORKED HARDER."

REFLECTIVE GRIEF

"WILL THE COMPANY PROVIDE OUTPLACEMENT?"

POSITIVE BEHAVIOR

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Kravetz identifies a model of behavior which includes six stages of employee behavior. A terminated employee might initially react from any of these stages and then, in most cases, must progress through the remaining stages of the model. The first stage, Shock and Disbelief, is the reaction when the employee says "It can't be happening; how can you do this to me?" In the second stage, and Anger, the employee may lash out at the boss, the company, the coworkers~ at anything or anybody that "blames it on somebody else." In this stage the employee is completely unwilling to discuss his or her own job performance. In the third stage, the employee reacts with a Defense Mechanism, ranging from a "don't care" attitude that really isn't to a complete denial that the termination occurred. In one documented case, a high level manager "went to work" for a full year after a termination without telling anyone. He spent his days in a park and admitted what had happened only when the severance benefits he had been granted ran out. The fourth stage is Distress and Despair. The terminated employee feels a complete loss of control over his/her life. There is nothing left without the job. This total identification with the job, unfortunately a common situation with a strong work ethic, is a potentially dangerous reaction that can lead to extreme reactions, including suicide. The fifth stage is Reflective Grief. In this stage the terminated employee openly admits that he/she has been terminated, something that has not occurred in any of the earlier stages. In this stage the employees is most likely to look back on the last few months and express concern over how things would be if "I had done something differently." While this is still not positive behavior it does not in any way ignore the fact of the termination. All of the negative behavior of the earlier stages is avoided if an employee reacts to the termination from this psychological position.

The last and final stage, in Kravetz's model, is Positive Behavior. This involves acknowledgement of the termination, concern about strengths, weaknesses, and interests. More importantly, it includes an eagerness to find out what to do next about finding another job. The terminated employee wants to know about severance benefits, outplacement services, references, and any assistance the company is going to provide in the area of job hunting skills. If a terminated employee reacts initially from this stage, the termination interview is rather successful in most cases. If he/she reacts from one of the earlier stages, the interviewer must first guide the employee through the various stages to successfully conclude the termination process with the assurance that the employee will begin looking for a new job immediately. Kravetz's model provides a clear set of guidelines for the termination interview and a helpful system for working with individual cases. It will be demonstrated shortly that he also provides the framework for an experiential learning exercise to demonstrate the termination process and provide students with experience in conducting termination interviews.

Another component of the termination process is considered by Lawrence N. Baytos in "Easing the Pain of Terminations" (A). He discusses the techniques available to employers in determining severance benefits in individual cases. Rather than an across-the-board severance policy, for example one weeks pay for each year of service, he suggests a variable policy that takes into consideration service, job level, and age. He particularly demonstrates the value of considering age as a variable in the severance pay award by proposing an age allowance. In his article he proposes the following for consideration:

AGE	AGE FACTOR ALLOWANCE PERCENT OF BASE PAY
Under 40	0%
40-44	25%
45-49	50%
50-54	75%
55-64	100%

Baytos also proposes a more flexible approach to the determination of other severance benefits. He supports the use of outplacement services and proposes greater insurance settlements on the basis that the company can provide these services at a lower cost than the employee can if he/she does not immediately find another job. Baytos suggests that all of these actions will ease the stress of the termination and therefore assist the employee in more readily looking for another job and not being a source of "badwill" for the company. In a time when terminations are expected to increase, Baytos suggests this is a sound management practice to follow.

Outplacement

The most popular topic in the professional literature is the design and structure of outplacement services. These services often provided by an outside consultant, range from assistance to the company in making the termination decision and carrying out the decision to an in-depth program of career counseling and job hunting assistance for the terminated individual which takes six to twelve months to complete. Fees for programs of this nature range from minimums of \$300 - \$500 to programs costing \$2500 or 15% of an individual's salary.

The personnel manager must determine whether to offer the outplacement service internally or provide an in-house service. As expected, this has created a debate over the proper functioning of an outplacement activity and its logical location within the company. John Scherba argues in "Outplacement: An Established Personnel Function" (5) that the advantages of an in-house placement service are greater than hiring a consultant and that personnel departments have the expertise to properly conduct the activity. Still, many firms prefer to provide this activity through outside firms.

One of the complicated decisions involving the use of outplacement is the level of services needed for individual employees. Most firms providing outplacement on a consulting basis provide guidelines for their services including the type of employee and degree of consulting that will best fit the circumstances. One firm, Lee-Hecht & Associates (6) in New York, offers four different programs. Its Outplacement Briefing is designed for the employee who will have little difficulty finding a new position and includes an interview to discuss the terminated employee's reaction to the decision and the steps he/she will take to secure a new job. The Outplacement Consultation and Feedback is intended for someone who will be able to find a new position with some help and re-direction of efforts if the person becomes aware of his/her particular strengths and weaknesses. This program includes more intensive personal consultation plus an objective assessment of interests, aptitudes and communication style. It involves resume development assistance and is designed to assist the employee who has probably spent five or more years with an employer.

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The third option, Outplacement Counseling, is designed for the person with long tenure in a single company who is likely to experience some difficulty in looking for a new job. In addition to the assessments contained in the Outplacement Consultation and Feedback, this program includes a more thorough assessment of the individual's job hunting skills and planning of a complete job search process. The fourth option, Executive Outplacement, is intended for top management personnel requiring extensive assistance. The program includes all of the assessment and job hunting skills materials of the other options plus counseling with spouse, development of interviewing skills, secretarial and mailing services, and ongoing follow-up and feedback for up to one year.

While many of the consulting firms provide guidelines which are more extensive than the brief summary provided here, it is still a difficult decision for a manager to make. There are fine lines between categories and certain assumptions which need to be made concerning the terminated employee's attitude and their level of job hunting skills. It is also apparent that the link between their reaction to the termination and the need for outplacement assistance needs to be clearly understood.

Experiential Approaches

Corresponding to this interest in terminations and outplacement has been the development of experiential exercises focusing on the termination process. These exercises have focused on a variety of different issues surrounding terminations and have been popular exercises with both faculty and students. The exercises involved in the termination process have been used in courses specifically designed to make students aware of the termination issues as well as in courses focusing on other aspects of interpersonal communication and organizational behavior. The exercises that currently exist on the termination process include elements of decision-making, power, interpersonal communication, human resources management, and equal employment opportunity.

The goals of the experiential exercises are also different in that they concentrate on different aspects of the termination process. Some of the exercises focus on the decision of whom to terminate. Others focus on the process of inform the individual of the termination decision and still others focus on the outplacement and benefit decisions that are involved.

Robert Dougherty developed one of the first published exercises on termination, "Pink Slips" (7). In this exercise managers are told, after the first round of a simulated production task, that economic conditions forces the cutback of two workers. The student must then fire two of his/her production workers. Another production period follows and two more employees are fired. After this a discussion on the feelings of both the manager and the employees is conducted. This exercise also focuses on the effect these decisions have on the output of the group, the feelings of the terminated employees as they are left out of the remaining production runs, and the feelings of the workers who were not fired.

James Schreier has created an exercise similar to Dougherty's within the context of a human resources situation instead of a production task. In this exercise, "Layoff and Termination Exercise" (8), participants first rank ten employees for possible layoff, discussing a wide array of personal and performance data. Then, when the final ranking is

completed, one of the group members is told that he/she is the senior manager in the group and must terminate one of the managers because of poor economic conditions. The decision must be made on the performance of the individual during the first part of the exercise. From this point it continues along the same guidelines as the Dougherty exercise, with a strong focus on the feelings of the manager and the individuals terminated.

Herbert Kindler and Steven Lippman have created a case/role-play exercise on terminations, "On the Firing Line" (9). This exercise compares the layoff decision to the termination decision and forces the student to develop a consistent policy on dealing with an economic cutback. The student is asked to analyze extensive background information on alternatives to the termination or layoff and develop a written rationale for their recommendation. The exercise then moves into two experiential stages when the policies are discussed in small groups and then individuals are asked to role play the termination interview. This process lacks the surprise of the Dougherty or Schreier exercise but contains more information on the development of a consistent policy towards layoffs and terminations. Students are asked to develop an analysis of the possible reactions the employee might have to the termination and what steps can be taken to lessen the stressful nature of this type of decision.

Schreier has developed a new exercise, "What Do I Say After 'You're Fired!'" (10), which encompasses much of the material discussed by Kravetz, Baytos, and Lee-Hecht. Participants are confronted with recommendations to terminate employees and must make the final decision, analyze and assign severance and outplacement benefits, and inform the employee of the decision. Students are designated to play the terminated employees using the different psychological stages suggested by Kravetz. The exercise also includes information on developing a termination policy for future situations.

Goals and Management Elements

Each of these exercises focuses on a different aspect of the termination process and together they cover the total process of terminations. However, each of them has specific behavioral and learning objectives and focus on different aspects of organizational behavior and/or human resources principles. The following two tables provide a comparison of these two elements.

Feedback to Participants

Both of the exercises created by Schreier provide a format for tabulating results and giving feedback to participants on their decisions and how they compare to the particular class and/or all previous classes. In the "Layoff and Termination Exercise", these data pertain to the layoff component and not the individual terminations. In "What Do I Say After 'You're Fired!'" however, the information is a summary of the severance and outplacement benefits provided to the terminated employee. Participants are given the option of approving the termination recommendation or referring it back for further action. Then they must decide whether to give severance pay or not and if they do, whether or not to include an age allowance. Finally they must decide whether to provide outplacement services from five options ranging from none to a full range of services similar to the "Executive Outplacement" service discussed above. This feedback, Illustrated in Table 3, provides a closing discussion of policy making on termination and the reasons for awarding different options.

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TABLE 1
TERMINATION EXERCISES -- BEHAVIORAL GOALS AND LEARNING OBJECTIVES

"PINK SLIPS"	<p>Explore and discuss feelings of a manager as he decides whom to fire and communicates the decision.</p> <p>Explore and discuss feelings of the individuals fired.</p> <p>Provide initial experience in dealing with the reality of having to terminate and/or being terminated.</p>
"LAYOFF AND TERMINATION EXERCISE"	<p>Demonstrate individual values in personnel decision.</p> <p>Provide experience in making and implementing difficult management decisions.</p> <p>Explore feelings of managers and employees involved in a termination decision.</p>
"ON THE FIRING LINE"	<p>Explore the stresses placed on managers and employees involved in a termination decision.</p> <p>Develop organizational policy for terminations.</p> <p>Explore techniques for implementing the termination decision.</p>
"WHAT DO I SAY AFTER 'YOU'RE FIRED!'"	<p>Familiarize participants with policy considerations on termination, severance benefits, and utilization of outplacement.</p> <p>Expose participants to different psychological reactions to the termination decision.</p> <p>Provide participants with guidelines for dealing with different psychological reactions.</p>

TABLE 2
TERMINATION EXERCISES -- ORGANIZATIONAL BEHAVIOR & HUMAN RESOURCES PRICIPLES

	Personnel Decisions	Policy-Making	Interpersonal Communication	Group Decision-Making	Conflict Resolution	Crisis Intervention	Power	Equal Employment Opportunity	Stress Management	Leadership	Motivation	Delegation	Individual Feelings	Individual Decision-Making
"PINK SLIPS"	X		X		X		X		X		X		X	X
"LAYOFF AND TERMINATION EXERCISE"	X	X	X	X	X		X	X	X				X	X
"ON THE FIRING LINE"	X	X	X	X	X		X		X	X			X	X
"WHAT DO I SAY AFTER 'YOU'RE FIRED!'"	X	X	X		X	X			X				X	X

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TABLE 3
WHAT DO I SAY AFTER "YOU'RE FIRED!"

	ACTION		SEVERANCE PAY			OUTPLACEMENT OPTIONS				
	Terminate	Refer Back	None	Base Pay	Base + Age Allowance	Option 1 (\$ 0)	Option 2 (\$350)	Option 3 (\$900)	Option 4 (\$1500)	Option 5 (\$2500)
EMPLOYEE #1	97%	3%	50%	50%		29%	15%	29%	6%	0%
EMPLOYEE #2	97%	3%	0%	38%	62%	3%	15%	21%	44%	17%
EMPLOYEE #3	40%	60%		100%		0%	14%	57%	7%	22%
EMPLOYEE #4	97%	3%		11%	89%	3%	9%	0%	29%	59%
EMPLOYEE #5	97%	3%	38%	59%	3%	15%	29%	38%	15%	3%
EMPLOYEE #6	89%	11%	3%	40%	55%	0%	6%	23%	39%	32%

Conclusion

The popularity of these exercises is usually demonstrated by the involvement expressed by the students and the formal and informal evaluation of the exercise after its completion. In many cases, the exercise remains a topic for discussion for several weeks after it has been completed. Perhaps the exercises are popular because they involve the participants in such a realistic, and sometimes frightening, experience. Perhaps they are successful because they pertain to such an emotional, involving topic. Perhaps, they are even successful because the Instructors using them can get very involved in forcing students to make such a very real decision which is often less "simulated" than others in a class more likely, however, these exercises are successful because they combine a number of interpersonal and professional elements into a single learning experience. This explains their use in a wide variety of courses and their application to many different topical areas of human resources management and organizational behavior.

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