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CUTBACK MANAGEMENT: AN
ETHICAL APPROACH TO
REDUCTION-IN-FORCE

By

Francis Obieha Aju
B.A., Edinboro University
of Pennsylvania, 1985

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for the degree of
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1987

Approved by

Peter Koehn

Chairman, Board of Examiners

R C Murray

Dean, Graduate School

Dec. 15, 1987

Date

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Chapter One

Introduction

The modern public administrative community has been captive to the incrementalist mentality. Incrementalism, as proposed by Charles Lindblom, describes a model that conceives of public organization as growth oriented.¹ This means that public organizations consider program funding bases as givens and that managers only have to concentrate on requests for annual budgetary increases. The pervasiveness of resource scarcity in the 1970's and 1980's, however, compels a reevaluation of administrative reliance upon this prevailing management system.

A combination of factors reinforces this thinking: 1) a rapidly declining global resource base imposes fiscal pressure on economically interdependent nations of the world; and 2) an ever rising tax burden and inflation combine to heighten a growing belief among the public that government spending is excessive, wasteful, and inefficient. In Idaho, a November 1978 poll indicated that 83 percent of the people think that government is wasteful. In Florida, only 27 percent believed that government can be relied upon to do the correct thing. Moreover, a study across states with different economic and political conditions indicates a

replication of conservative public sentiment that motivated the passage of California's proposition 13 -- a constitutional initiative that placed a lid on the state's property tax as a means of checking the growth of government.

Certainly, the public's anti-bureaucratic attitude calls for pragmatic administrative improvements. However, the changes and answers they seek are by far larger than considerations of efficiency and economy. Unfortunately, the prevailing intellectual approach furnishes little help in addressing the ethical component of the problem involved in implementing cutbacks which includes moral obligations on the part of managers to involve workers affected by a planned retrenchment in the decisional processes, early notice of intention to RIF, and responsibility for those ultimately laid-off. This is because the concerns of current writers on cutback management have been narrow and limited to economic investigation.

For example, Robert Behn proposes a dozen policy termination strategies. However, he did not consider ethics to be an important part of his model since human elements of termination targets received no special attention.³ Greenhalgh and McKenzie discuss cutback management under the heading "Reduction-in-Force(RIF): Cost-effectiveness of alternative strategies." Again, since economics dominates their concern, the broader question of ethics is not

considered.⁴ Further, Marc Holzer discusses RIF in relation to productivity. His analysis merits credit for the relatively wider perspective which addresses the issue of employee morale. Yet, his thesis ignored the issue of ethics.⁵ The themes of these three writers reflect an obsessive preoccupation with economics.

The problem is that public managers, who rely on these emergent management systems as guides, have little or no motivation to widen budgetary perspectives. As fiscal analysis becomes conducted in balance-sheet terms based on formula-driven techniques, cutback management increasingly takes on the form of an amoral administrative enterprise purporting to shield implementors from ethical responsibility.

Objectives

This paper focuses on an ethical approach to reduction-in-force (RIF) as a cutback management technique. Its principal concern, therefore, is with the humane aspects of cutback management. Since ethics is central to this concern, investigation will concentrate upon what management should do for their retrenched employees during and beyond the mechanistic processes of cutbacks. As part of its

contribution, the paper will develop a model that incorporates ethical standards of fairness and equity that might guide public managers in cutbacks involving RIFs.

Methodology

The research methodology adopted in this paper includes combination of literature review, documentary analysis, and interviews. A sufficient amount of literature focusing on reduction-in-force exists. This is because of the considerable attention given to the subject since payroll reductions have come to be the most important part of cutback management.

In addition, key county documents such as budget estimates and work force registers are investigated. The interview part is based entirely on the recent cutbacks in the Missoula County government. The model developed in the paper will then be used as an "acid test" to determine the weight given to ethics in the county management's decision to reduce its work force following fiscal exigency.

Cutback Management

Charles Levine defines cutback management as managing organizational change toward lower levels of resource consumption and organizational activity.⁶ Since its environment is characterized by scarcity, cutback management entails the management of conflict. Like traditional administration, cutback management holds

efficiency and economy as key management values. However, unlike the traditional approach, typified by incrementalism, it is concerned with decremental or zero growth phenomenon.

Focusing upon education, Kenneth E. Boulding argues that

the skills for managing a declining institution are not only different from, but are probably in some sense greater than those required to manage institutional growth....In a growing institution mistakes are easily corrected; in a declining institution they are not.⁷

The traditional conception of cutback management has been one of a contingency approach adopted to address temporary organizational resource downturn. Today, the reality of a permanently diminishing resource environment calls for a changed perception -- a perception that recognizes that current resource problems will likely continue far into the future. One critical issue about cutback management is its concern with change. As Levine contends, conflict associated with change is minimal when those involved have something to gain in the process. Under conditions of resource scarcity, there are little or no rewards to motivate cooperative efforts.⁸

Cutback management is not just a budgetary issue. It entails making value judgments about competing interests and establishing priorities concerning which needs will be addressed.⁹ Such administrative determinations usually include decisions about whether the capital or recurrent

expenditure budget will be cut. It also means judgments about what programs are cut and by how much, and whether the pattern of cut to be adopted is "targeted" or across-the-board. In effect, resource scarcity places in the hand of administrators value judgments about policy choices that normally should be made through the political process.

Reduction-in-Force

The strategies employed in cutback management include disposition of the human elements of the organization's resources. Hiring freezes, attrition, personnel ceilings, contracting out (having private entrepreneurs do government tasks instead of public servants as a means of reducing cost), and reduction-in-force are the common strategies managers adopt. While all are interrelated, reduction-in-force (RIF) has become the most popular as a method for achieving cutbacks in the cost of government.¹⁰

RIF refers to a process of decreasing the number of people employed in an organization. Wilbur Rich, adopting a more technical perspective, argues that the procedure can be applied to layoffs, demotions, or furloughs by reason of reorganization, lack of work, or funds. Usually, those affected by RIF are entitled to procedural and retention rights.¹¹ Through standards set by the Office of Personnel Management (OPM) for adoption at the federal level,

management is obliged to inform affected employees thirty days prior to the effective date of RIF.¹²

The process includes mechanistic arrangements that allow special treatment for disabled and regular veterans. However, the competitiveness of individual employees with respect to retention depends on the worker's seniority within his or her group and subgroup. In the event of staff retrenchment, retention relationship is such that employees with high retention rights can bump their less senior¹³ counterparts. However, retreat rights are permitted provided movement is within the worker's competitive area.¹⁴

State and local governments have no predetermined procedure for RIF. In part, this is because of the perception that the resource scarcity that occasions it is only transitory. However, the adoption of RIF as the most dominant cutback strategy is explained by the fact that personnel costs represent the single largest expense of government expenditures. Observers estimate that the share of personnel in the running cost of any governmental organization ranges from 50 to 60 percent and above.¹⁵

In accomplishing RIFs, the achievement of organizational goals traditionally dominates managerial concerns. Consequently, managers more often than not adopt cost benefit analysis in an effort to achieve economic efficiency. The process is encumbered by other competing

pressures like political considerations, union interests, and budgeting practices. The followings clarify this argument.

Institutionalized entitlement programs, such as social insurance and retirement benefits, compel expenditures that cannot be cut without political problems. In the 1981 budget, proposed under President Carter, uncontrollable federal estimates accounted for 75 percent of total spending.¹⁶ Budgetary practices limit managerial fiscal discretion because of the concept of expenditure itemization. Such a limitation implies that program implementors cannot use any one appropriation (or part of it) to meet critical spending needs in another part of the budget without prior legislative authorization. For example, the capital budget cannot be used to augment payroll. With respect to labor, although unions are often incapacitated in matters concerning RIF (see arguments below), a cutback manager is obliged to negotiate in "good faith." This means structured and tactful presentation of facts and figures. All of these, in addition to what Steven Bailey characterizes as inarticulate insinuations of personal interests,¹⁷ result in the adoption of formula-driven administrative techniques.

Besides, like other administrators, public managers faced with implementing cutbacks are accountable to the larger community. As a result, they are additionally subject

to external pressures and are, indeed, ethically and legally obliged to negotiate with interests outside of their own organization. This means that management's budgetary calculus must also reflect the mix of values of contending external parties - including those of politicians, tax payers, and program beneficiaries - and that those external variables must compete with internal commitments with respect to organizational members. This means there is potential for such a manager to feel torn between his or her commitments to the larger community and his or her ethical obligations to those employees targeted for RIF.

Yet such a manager has options. Whistle blowing is one way by which he can relate to the public his organization's fiscal predicament. Alternatively, he could make the same point -- that is, send a message to those outside forces who control money and who have withheld supply of needed funds, or have reduced the existing fiscal base -- by resignation. In the long-run, however, quitting the job may not be the morally right action. First, it may even prove irrational because resource scarcity is all-inclusive; no organization currently enjoys budgetary surplus. Second, since retrenchment must ultimately be implemented following resource downturn, resignation implies abandonment on the part of the manager, of responsibility to his or her internal constituency -- a question that further raises an argument about

administrative courage. Finally, managerial integrity and professional ethics will also become part of the debate since the departing manager did not consider resignation during the organization's period of prosperity.

Summary

In this introductory section, we attempted an overview of cutback management and the concerns it addresses. We observed that because its environment is characterized by scarcity and its operational mode decrementalist, cutback management's methodology is essentially multifaceted. We asserted that RIF, the subject matter of this paper, is the most pervasive of cutback management techniques. RIF is popular among cutback managers because of the huge component of personnel cost in the running of any organization. Since RIF means the disposition of the human elements of the organization, we expressed concern about ethics because of the potential discretionary authority which scarcity and the management of scarcity confer upon administrators.

The rest of the paper is devoted to the development of an ethical framework designed to guide morally conscientious public managers. Chapter two is divided into two parts. The first section analyses the two classical ethical theories -- utilitarianism and the deontological school -- and lays the foundation for the ethical model built in the second section. Chapter three also has two parts; the first consists of information and documentary

analysis based on interviews conducted with respect to the 1987 Missoula County personnel layoffs. The second part investigates whether the county's management followed the ethical principles proposed in the model built in chapter two in implementing the RIF. Finally, chapter four concludes the paper and evaluates the applicability of the ethical model. It also explores opportunities for improvement, lessons learned from the experience, and the salability of the model to management.

Notes

1. Charles E. Lindblom, "The Science of Muddling Through," Public Administration Review 1XX (Spring, 1959), 79-88, as cited in Paul R. Schulman "Nonincremental Policy Making: Notes Toward an alternative Paradigm," in Managing Fiscal Stress: The Crisis in the Public Sector ed. Charles Levine (New Jersey: Chatham House Publisher Inc., 1980), p. 139.

2. David O. Sears and Jack Citrin "Tax Revolt: Proposition 13 and its Aftermath" in Bureaucratic Power in National Policy Making, 4th ed., ed. Francis E. Rourke (Boston: Little, Brown and Company, 1986), p. 268.

3. Robert Behn, "How to Terminate a Public Policy: A Dozen Hints for Would-Be Terminator," in Managing Fiscal Stress, p. 327.

4. Leonard Greenhalgh and Robert B. McKersie, "Reduction-in-force: Cost-effectiveness of Alternative Strategies," in Managing Fiscal Stress, p. 313.

5. Marc Holzer, "Work Force Reduction and Productivity," Public Administration Review X (Spring, 1986), 87-97.

6. Charles H. Levine, "Organizational Decline and Cutback Management," in Managing Fiscal Stress: The Crisis in the Public Sector (New Jersey: Chatham House Publishers Inc., 1980), p. 13.

7. Kenneth E. Boulding, "The Management of Decline," Change (June, 1975), p. 9.

8. Levine, op. cit., p. 15.

9. Barbara Bader and Steven Carr, Cutback Management: Managing Resource Reduction and Retrenchment (Missoula, Montana: Community Systems, 1987), p. 1.

10. N. Joseph Cayer, "Management Implications of Reduction-in-force," Public Administration Quarterly X (Spring, 1986), 37.

11. Wilbur C. Rich, "The Political Context of a Reduction-in-force Policy: On the Misunderstanding of an Important Phenomenon," Public Administration Quarterly X (Spring 1986), 16.

12. Wilbur C. Rich, "Reduction-in-force Policy: Issues and Perspectives -- a Symposium," Public Administration Quarterly X (Spring, 1986), 4.

13. Ibid.

14. Ibid.

15. N. Joseph Cayer, Op. cit. p. 37.

16. Guy Peters, "Fiscal Strains on the Welfare State: Causes and Consequences," in The Fiscal Stress and Public Policy edited by Charles H. Levine and Irene Rubin (California: Sage Publications, Inc., 1980), p. 38.

17. Stephen K. Bailey, "Ethics and the Public Service," Public Administration Review, XXIV (April, 1964), 234.

Chapter Two

Moral Foundation for RIF

Ethical Analysis of RIF

Analysis of RIF from a moral perspective translates into ethical inquiry into the relations between organizations and their employees. This viewpoint, then, makes RIF a human relations question. Since RIF is a product of scarcity, it seems important to begin this analysis by focusing upon administrative devices to resolve conflicts that arise following management perception of government's moral role in society on one hand and, on the other, its own relations with the human elements of organizational resources. Indeed, the first phenomenon tends to color and influence the attitudinal patterns that characterize the second issue.

Public administrators, including cutback managers, are believed to be guided by the ethical tradition of utilitarianism. Utilitarianism enjoins that what one ought to do or ought not to do, as a public manager, is determined by the consequences that result.¹ The perceived consequences, following the Benthamite version, are defined in terms of the greatest happiness that accrues to the

greatest number of people in the community.² For purposes of policy choice, Figure 1-1 exemplifies utilitarianism in its schematic format.

Figure 1-1

	Program One	Program Two
Citizen One	3 units of pleasure	4 units of pleasure
Citizen Two	3 units of pleasure	5 units of pleasure
Citizen Three	<u>3 units of pleasure</u>	<u>0 units of pleasure</u>
Total	9 units of pleasure	9 units of pleasure

As evident above, programs one and two are both utilitarian based on the idea of the greatest happiness for the greatest number of people in the targeted community.³ However, a utilitarian committed to egalitarianism would prefer program one because its beneficiaries received equal amounts of pleasure. In a cutback management situation, therefore, the concern of the utilitarian public manager focuses on which program cut results in the least amount of unhappiness for the least number of people.

Utilitarians vary in ideology. Rule utilitarians consider rules as best guides for achieving the end of the public good. Adherence to rules, they argue, lessen the likelihood that individuals will treat their cases as

special and take advantage of their privileged position to maximize their own utility to the detriment of the whole. On the other hand, act utilitarians believe that rules exist to serve, at best, as guidelines and that they leave room for choice of action. They contend that every choice-of-action situation is open for individual decision and ought to be decided on the basis of the principle of utility.⁴

Unanticipated situations, however, may expose the fact that the line separating these two contending sister-paradigms is gray. In the event of an emergency, rule utilitarians argue that their act counterparts might allow clearly unjust acts. For example, unfairness results "when the general happiness of the community might be preserved by sacrificing a single innocent member of the community to a threatening power."⁵ Act utilitarians respond that if rule utilitarians allow exceptions to their rule in some special cases, as good wisdom may sometimes counsel, the rule version collapses and reverts to the act version.⁶

Philosophers within the utilitarian family address other subtle but important pitfalls embodied in the system. John Stuart Mill argues that some happiness is superior to others -- for example, "a pushpin is not as good as poetry."⁷ He, therefore, substitutes qualitative utilitarianism for Bentham's hedonistic utilitarianism.⁸

In addition to internal conceptual quarrels, utilitarianism confronts formidable external criticism. Anti-utilitarians attack the systems emphasis upon consequences of actions on two significant grounds. First, it is impossible to distinguish an act from its consequences and as such, one cannot judge the goodness or badness of an act by its results. Secondly, and because of problems posed by the first, it is difficult to determine the long-range outcomes of human acts in order that managers can judge the goodness or badness of intended current actions. They add that we must judge goodness or badness based on the intrinsic good which has been learned throughout the history of mankind.

Before proceeding to analyze other ethical traditions relevant to our purpose here, the interposition of this paper's view of utilitarianism is in order. Other commentators about the concept concern themselves with conceptual interpretations, more or less. The concern of this paper is that utilitarianism and its underpinning assumptions incorporate gross injustices by omission; i.e., the nonprovision, within its framework of compensation for those whose interests must be sacrificed in order to implement programs designed to achieve the greatest good for the greatest number. To be sure, the system's preoccupation with the welfare of the greatest number is an admission that resources cannot go round. The failure to allow for some

trade-offs or ameliorative compensation necessary to resolve potential and real conflicts imposed by scarcity exposes it to indictment as an oppressive system.

That stigma seems to stick even when observers honor its values as democratic, probably because of its majoritarian concern for the welfare of the highest aggregate of people.⁷ Yet, to forestall the dictatorship of the majority, every democratic system must embody a proviso that compels its (winning) majority to be sensitive to the concerns of its (losing) minority.

In spite of this and other serious pitfalls that beset utilitarianism, observers argue that its use is unavoidable because of the absence of satisfactory alternative ethical approaches. Albert Blumenthal suggests the use of scientific and objective common sense methods as a basis to judge the goodness and/or badness of a given policy option.¹⁰ Tom L. Beauchamp also supports the adoption of scienticism as a means of improving predictability under utilitarianism. In this connection, he proposes benefit cost analysis in a loose sense.¹¹ However, Alasdair MacIntyre attacks cost-benefit analysis as a managerial technique because it forces incompatible and noncommensurable variables under a single mathematical formula.¹² Further, it has been challenged for incorporating value judgments that properly belong within the realm of politics. John Byrne indicts it as a scheme

for the advancement of the administrative state.¹³ The ethical tradition that competes with utilitarianism for adoption is the deontological system. The central thesis of this school holds that in considering what one ought or ought not to do, the issue should be decided not on the basis of which action has the most desirable consequences, but rather on the basis of relationships such as those implied in contract agreements, promises, and the relations one has in regard to those affected by one's actions.¹⁴

The dominant and most pervasive model within the system is Emmanuel Kant's categorical imperative. The model contains three key mutually inclusive formulations. The first stresses the notion of universality and enjoins one to act on the basis of a maxim such that one's action brooks of no inconsistency -- for example, tell the truth no matter what.¹⁵ The second formulation conceives of human beings as of intrinsic value worthy of respect. They should, therefore, not be treated as a means, but as ends.

This proposition merits further clarification. French interprets it to mean that individuals should not be used only as instruments of an individual's (institution's) personal (organizational) goals.¹⁶ For our purpose, however, Sir David Ross provides more useful details. He believes that Kant distinguished between two types of ends; i.e., the independently and the nonindependently self-subsisting ends. As he sees it, Kant adopts the former

interpretation but not in a sense that forbids the use of man absolutely as a means, since to imply so derogates from the concept of interdependence of all men. Indeed, in his view, "Every time one makes a bargain with another, he relies on the other to do certain things which he himself desires that other to do and is so far treating the other as a means."¹⁷

On the contrary, Ross contends, that "what Kant insists on is that in treating others as means we must also have regard to their rights and interests."¹⁸ By imposing such moral conditionality, Kant's second formulation cures, or at least preempts the potential injustice embodied, by omission, in the utilitarian system. Following Kant's trend of thought, a cutback manager who retrenches staff in a bid to achieve the public good of efficiency and economy is under duty (deon) to compensate or endeavor to minimize the sufferings of those whose interests are compromised in the process.

Ross, by conceptual synthesis, further infers from the second formulation a requirement that forbids the idea of treating oneself as special or, so to say, not to take advantage of our privileged position to handle matters in a manner protective of our interest. The conception connotes a disapproval of efforts to exempt oneself from adversity affecting others on account of one's superior station. He

argues that "we should not in action assume prerogative position for ourselves against other people."¹⁷

Kant's third formulation captures the idea of autonomy as part of considerations within moral evaluations. It mandates that one acts only on the basis of those maxims or principles that conforms with each individual being both the subject and the legislator of the rules that governs his behavior.²⁰ This proposition clearly endorses the concept of individual participation in decisions concerning matters that affect his or her life. Consequently, the notion of participation becomes integral to the idea of individual autonomy as a moral imperative. The unifying force of the entire Kantian structure is that contrary to the utilitarian consequential argument, an act does not derive its moral worth from the purposes it is meant to achieve. As French concludes, an act is immoral except it conforms to the categorical imperative irrespective of its beneficial consequences to the community.²¹

In spite of its compelling moral force, however, the deontological theory, particularly the Kantian framework, has been criticized for its strict methodology. Blumenthal contends that the rules concerning intrinsic good are too absolute in that they permit no exceptions irrespective of how disastrous the consequences will be to humanity.²² The problem this criticism raises can be avoided if the injunction -- respecting the interest of those treated as

means -- contained in Kant's second formulation is followed. Nonetheless, a devoted anti-Kantian would point to other parts of the system, probably the first formulation that avowedly brooks of no inconsistency.

The problem posed above would have been serious if we relied entirely on traditional moral theories for our analysis. John Rawls proposes the concept of reflective equilibrium as a standard for evaluating our moral beliefs and principles. French argues that the Rawlsian standard can be achieved by means of synthesis between our prereflective moral beliefs and concepts on the one hand and the principles of a moral theory that can unify and justify them on the other.²³ Besides, Rawls asserts that there are no ethical judgments in whichever form that should be considered as fixed points or immune to revision.²⁴ French argues that what Rawls means is that we should strive to achieve wide, as opposed to narrow equilibrium, provided we satisfy certain conditions of rationality.²⁵ Furthermore, French enlarges our analytical latitude by introducing Dworkin's constructive model which incorporates a coherent theory of what is a morally right action.²⁶ Indeed, Dworkin's addition is a potential rejoinder for ardent utilitarians like Blumenthal who might dismiss this perspective as situational ethics since the framework contains an in-built ethical checks and balances system requiring rigorous moral conscientiousness.

In effect, following French's line of thought, Rawls's implied wide equilibrium principle and Dworkin's constructive model help us to build a coherent ethical framework upon which we can draw when we make judgments concerning complex issues. Such an ethical construct consists on one hand, our beliefs -- democratic ideals, idea of property, etc. -- and on the other, the existing traditional moral theories -- utilitarianism, deontological, etc.

Following from the above, a moral administrator faced with cutback management problems involving RIF would adopt, as part of his/her strategy, the values of participation, openness, spreading budget cuts horizontally and vertically, and a sense of responsibility for those laid-off through a post-retrenchment arrangement that in turn adopts a household model (to be discussed in the next section). In drawing from our ethical basket, the prevailing methodology, then, should be such that ensures that, as French would put it, what is morally proper in any one situation fits into the general pattern of what is morally right in other cases.²⁷ In the next section, this approach will be followed in designing an ethical model for cutback managers whose task might include staff retrenchment.

Ethical Model for RIF

The model developed in this section is divided into two parts. The first part is concerned with internal processes of decision making and implementation of RIF and consists of values based on the ideas of participation, openness, and pattern of spread of the pain of scarcity. The second part focuses on post-retrenchment arrangements that cater to the interest of retrenched staff.

Participation

With regard to RIF, the participation standard means that individuals whose jobs are targeted for cuts are involved directly in the decisional processes as a means of augmenting management/union negotiations concerning RIF. Aside from its ethical underpinning, participation has the advantage of minimizing the incidence of speculation, rumor mongering, and anxiety on the part of those affected by the RIF policy. The prevailing practice emphasizes communication between management and employee associations in issues concerning wages and other employment issues including staff layoffs. This perspective adopts the group participation approach of management/employee relations.²⁰

For RIF purposes, management-labor negotiations must be augmented by individual worker involvement because of four important reasons specified hereunder. First, the group model derogates from the Kantian notion of autonomy (discussed above) which includes the idea that the

individual is the best judge of his or her own interests. Second, unions apparently have no effective answers to RIFs. Indeed, "management has the right to lay-off employees when it so determines..."²⁷ -- including for lack of money, provided it followed contract and retrenchment procedures. Consequently, the attitude of unions to RIF has been one of acquiescence. Wilbur C. Rich of Wayne State University argues that:

Fiscal managers...have made judgments about government workers and their organizations. First, they correctly evaluate the inability of the unions to respond to a RIF. Secondly, they guessed that program termination would not trigger wholesale resignation of employees. They assume that laid-off workers would not commit careericide and leave the government without a reserved pool of workers.²⁸

Third, a victim of employee retrenchment is a "loner" partly because of union incapacity and because the seniority concept incorporated in labor contracts is protective of senior colleagues and union leadership -- a situation that potentially acts as a disincentive to union activism in RIF circumstances. Fourth, reliance on the group model during RIF raises moral questions because it assumes that the linkage between group members and group leadership is strong. That is to say, albeit erroneously, that the interests and views of union members on every issue coincide with those of the union leadership.

Kenneth Meier, in his article "Controlling the Bureaucracy: Ethics and Participation," argues that there is a perception gap between union members and their

leadership. Group leaders, he contends, erroneously perceive members' positions on issues to be the same as theirs.³¹ He reasons that continued membership does not mean implicit acceptance of leadership actions since people join and remain members of a group for different reasons,³² including, at times, coercion. Surely, an individual who joins a labor force dominated by a union can hardly afford to stay outside membership. Sociologists agree that people join informal groups to avoid alienation or anomie,³³ or both; people's reasons for joining formal ones -- including unions -- may not be totally different. People may also join unions in order to avoid the stigma of being a scab worker³⁴ in the event of a labor dispute. Furthermore, union shop requirements -- a condition in a unionized organization that a new staff enroll in the employee association or pay to it an amount equal to the union's monthly dues -- rather than a sense of identification is another factor that compels membership.³⁵ Meier concludes that the representational process breaks down when leaders do not accurately perceive the interests and desires of those they represent.³⁶

The foregoing arguments reinforce the idea that an employee facing retrenchment is on his or her own, the existence of a union notwithstanding. When those individually affected by RIF participate in budgetary decisional processes, they are better able to ensure that,

at least, past quarrels between the union and management unrelated to the current fiscal crisis are not used by management as an excuse to get rid of perceived "troublesome staff." Moreover, participation in furtherance of the moral notion of autonomy permits affected employees the opportunity to propose potential policy options and to argue the merits and feasibility of those options.

However, for participation to achieve the moral objectives stated above, three conditions must prevail. First, cutback management decisions must be reasonably broad and decentralized so that debate concerning policy details takes place as close as possible to those to be affected by it. Second, supervisor/employee communication must be horizontal and nonhierarchical and official nomenclatures must be deemphasized to allow informal as opposed to formal interaction. Third, budgetary terminologies and codes must be simplified (along with full disclosure and justification of chosen budgetary strategies) so that participating staff have a clear picture of actual fiscal situations.

Openness in RIF

Open discussion of chosen budgetary strategies is a necessary corollary to worker participation in RIF-related decision processes. The moral objective associated with the

idea of participation will be defeated if management, halfway along the line, creates an exclusive inner body ostensibly to expedite budgetary decisions. Proponents of bureaucratic secrecy argue that openness militates against rational and efficient decision making by permitting the emotions of interested parties to infiltrate into critical administrative judgments. Advocates of concealment reject openness because:

full transparency would cripple choice and policy-making in any administration. A tentative process of learning, of assimilating information, of considering alternatives, and weighing consequences is required in order to arrive at a coherent position. No one begins with a perfectly thought-out policy, it is shaped gradually often through conflict and deliberation....In order to create a pattern out of chaos and avoid haphazard choices...evolving new policies requires a degree of concealment.³⁶

As cogent as this argument sounds, Watergate (the crimes and scandals of the Nixon administration characterized by secrecy and "coverups" that ultimately led to the president's resignation) demonstrates that secrecy in government can be put to immoral uses.³⁷ Bok argues that "everything secret degenerates (and) nothing is safe that does not show how it can bear to discussion..."³⁸

The need for administrative secrecy in cutback management because of the tough allocative choices involved must be balanced with the need for openness when RIF becomes necessary because RIF victims need early information in order to begin serious consideration of alternative career

options. Consequently, openness in RIF includes the idea of publicity.

In RIF, publicity produces results consistent with the notion of accountability because 1) it compels cutback managers to scrutinize and evaluate alternative means of addressing fiscal scarcity; 2) it forces them to take opposing points of view seriously -- particularly those targeted for retrenchment; 3) it avoids the incidence of suspicion and distrust that results in charges that heads of departments do not represent the interest of affected staff; 4) it minimizes the tendency of management to skew choice with a view to excluding their group and staff favorites from the pain of scarcity; and 5) it enables those to be affected by RIF to begin an early search for alternative employment.

Further, publicity must be location-related. This means that the notice of intent to retrench staff must reflect jurisdictional characteristics. Jurisdictions located in areas starved of employment opportunities owe their employees early notice of intention to RIF vis-a-vis jurisdictions located in areas with more job opportunities. For example, a county employee in Missoula, Montana, targeted for RIF might need much earlier notice than his or her counterpart in counties in New York or Illinois. The Federal Merit System Protection Board mandates a minimum of 30 days notice of intention to RIF for federal employees.³⁹

The prevailing practice at the local level has been for jurisdictions to follow the federal standard, which is often inappropriate. Ninety days notice of intention to RIF should be adopted as a minimum publicity requirement.

Managers overly concerned about efficiency might argue that employee morale and, therefore, productivity may fall if employees targeted for retrenchment are notified that early. This conflict is a real one. Yet, the manner it is resolved is part of the test of managerial integrity. To withhold early notice might produce the short-term gain of sustaining normal productivity. When properly considered, however, concealment might prove irrational in the long range for some important reasons. First, concealment or withholding of early information about intention to retrench means that the entire work force is thrown into panic and fear and that the impact on productivity will be higher. On the other hand, early notice means that productivity will probably fall only with regard to the few workers to be retrenched.

Second, the tension and panic short notice usually occasions will trigger off conflict that might militate against an otherwise smooth retrenchment process. Also, concealment derogates from the concept of autonomy, following Kant's second principle (see arguments above), because it denies the RIF-affected individual access to

prompt information which is vital to serious consideration of other job options in his/her career.

The Pain of Scarcity: Vertical Equity
Through Hierarchical Spread

Patton and Sawicki define vertical equity in terms of the distribution of goods and services among people in unequal circumstances.⁴² This thinking presupposes an incrementalist environment; it presumes a secure budgetary base and that management's problem is limited only to finding equitable means of distributing fiscal increments. In a cutback management situation characterized by fiscal instability, however, expectation is reversed so that managerial concern focuses on equitable distribution of the impact of the organization's budgetary adversity.

Hierarchical Spread

Since RIF implies cutbacks focused on the human element of organizational resource, vertical equity, then, means hierarchical spreading of the effects of scarcity. This connotes extension of budgetary cuts to the upper reaches of the organizational hierarchy to net in big earners. This perspective has two significant implications for cutback management. First, economic rationality is achieved because netting in big earners means that RIF will accomplish the needed budget cut while involving fewer number of people.

Second, ethical rationality is served since the approach means that no employee group within the organization is excluded from the pain of scarcity.

Hierarchical spread in staff retrenchment means that management's share of budget cuts must reflect its percentage share in the organization's emolument. In an organization's period of prosperity, management and groups occupying the upper reaches of the organizational ladder tend to benefit more in regard to accelerated promotions, salary enhancements, and bonuses. Ironically, in the event of fiscal scarcity distributional focus is often reversed so that nonmanagement and personnel lower in the organizational ladder disproportionately bear the burden of organizational decline.

Since previous studies failed to focus on the distributional pattern of RIF among management and nonmanagement personnel, it is difficult to found the above analysis on a strong empirical basis. However, a study conducted by the Federal Merit System Protection Board (MSPB) shows that the 1981 federal RIF policy disproportionately affected women and minorities. Out of a total of 12,594 people affected by the policy, 5,240 or 42 percent were women, while 4,593 or 37 percent were minorities.⁴¹ The MSPB report concludes that:

since women comprised 37% of the total federal work force...that 42% of the RIF-affected employees were women indicates that women were disproportionately affected by the RIF. Since minorities comprised 23% of the total federal work force,...that 37% of the RIF-affected employees were minorities indicates that they were disproportionately affected by the 1981 RIF.⁴²

Women and minorities dominate the ranks of clerks, typists, secretaries, computer operators, receptionists, janitors, and so on. Thus the 1981 federal retrenchment action disproportionately affected the two groups because the federal government concentrated its personnel cuts at the lower rungs of the national civil service hierarchy.

Other security-motivated devices such as the seniority concept (obligated under union contracts) and veteran preference provisions (required by law) also operate to force the burden of scarcity further down the bottom of organizational hierarchy. The resultant vertical inequity raises two ethical concerns. First, the pattern is anti-Kantian because as the burden of scarcity drifts downwards more past winners during organizational prosperity are exempted from adversity; second, the lower and bottom rungs of the organizational hierarchy consist mainly of a cluster of low earners. This means that RIF would involve many more people than otherwise in order to accomplish needed budgetary savings. Prevailing cutback methods emphasizing economics achieve horizontal equity through cuts-across-the-board. This approach minimizes conflict among departments since fiscal adversity affects all units

equally. When retrenchment involves RIF, vertical equity achieved through hierarchical spread of position cuts becomes an imperative. This principle is recommended because of its additional potential to facilitate the cutback management process. By making the entire RIF process all-inclusive, it minimizes possible interpersonal conflicts, and class suspicion, while maximizing cooperation among organizational groups since everyone equitably shares from the pain of organizational adversity.

Post-Retrenchment Relationships

The second part of the model being proposed in this paper focuses on the post-retrenchment relationship between the organization and retrenched staff. Post-retrenchment relations means that, beyond the mechanistic process of cutbacks, management will continue to demonstrate responsibility for the organization's retrenched staff.

Household Principle

The idea of post-retrenchment relationship stresses similar values to the household model proposed by Clarence C. Walton. Walton proposed the model in his discussion of a methodology by which corporations could take on greater social responsibilities. He uses the words "team" and "family" interchangeably to characterize what he considered

ideal corporate behavior. In particular, he argues that the household model is opposed to the idea that an employer who contemplates plant location owes no obligation to its personnel and community. He concludes that the household model subordinates economic values to social values.⁴³

The moral image the household model invokes recommends it for adoption in the public sector of society. This conclusion is based upon the fact that government, with the inception of the notion of administrative management, increasingly adopts market standards as a dominant mode of operation. Consequently, cost effectiveness becomes as much an obsession in the public sector as profit maximization is the bottomline in the private sector. This changed managerial emphasis is manifest in all levels of government.

Reagan's presidency is committed that, by the time its administration leaves the stage, "...the American people will have a federal government that operates in a business-like manner (and) provides high quality essential public services as efficiently as possible."⁴⁴ This market-oriented crusade later became all-inclusive as its values became decentralized to other levels of government through the concept of fiscal federalism. The result is that federal, state, and local public servants alike became exposed to the vicissitudes of the economy⁴⁵ as the formerly protective merit system diminished in importance. That is

to say, following the administrative management philosophy, public servants, like their private sector counterparts, face retrenchment whenever public services are no longer "cost effective."

The issue being raised here is that if government, the regulator of the private economy, adopts the behavioral characteristics of corporations, then society must invoke its moral defense system⁴⁶ and insist that public organizations comply with the same humane propositions hitherto required by the public sector of private enterprises. This reasoning furnishes the rationale for adopting the Waltonian household model for the public sector.

In a cutback management situation involving RIF, the household model mandates that unlike the other factors of production -- capital and machinery -- labor cannot be retrenched without moral obligations on the part of the organization. This means that there are extra-legal moral rights workers are entitled to. Consequently, the organization must stretch beyond its personnel rules to cater for those thrown into unemployment for reasons for which they are not responsible.

A post-retrenchment relationship based on the household principle will feature the following obligations on the part of the organization:

1. Establishment of a transition team whose responsibilities will include:

a. Maintaining a communication link with retrenched workers and their family and evaluating and monitoring feedbacks. b. Continued search and location of new jobs and placement of retrenched personnel.

2. Establishment of a reemployment list so that qualified retrenched staff are accorded priority in the event of job opening in the organization.

3. Nontermination of organizational support such as health insurance or other organizationally sponsored collective employee schemes until alternative employment is found or at least six months after retrenchment. RIF-affected staff with excellent personnel records should also be helped with their debt problems such as provision of limited guarantees to their creditors or at least debt rescheduling to avoid potential losses. This requirement conforms with the extended family concept of the household model and addresses the fact that, though laid-off, the umbilical cord linking the individual to the organization is not severed. The arrangement will minimize the incidence of stress since it provides a basis for a sense of belonging. The whole idea derives from the fact that in addition to being moral agents entitled to respect, individuals are social animals with emotional investments in

their work place; they are, therefore, susceptible to occupational inertia and detachment shock.

Moral Minimum

Commitment to the household principle means a disposition toward objectives implied in the notion of moral minimum as opposed to a moral ideal. Norman Bowie argues that a person's (and organization's) actions conform with the idea of moral minimum if it causes no avoidable harm to others. He contrasts the concept with the principle of moral ideal or what he describes as the obsessive pursuit of utilitarianism. He concludes that the utilitarian moral ideal is too stringent and harmful as a managerial goal.⁴⁷

From a RIF perspective, this characterization is supported by empirical evidence. Leonard Greehalgh and Robert McKenzie, following a national study, document a relationship between job loss and other sources of unemployment and increases in mortality, homicide, suicide, cardiovascular-renal disease mortality, cirrhosis of the liver mortality, imprisonment, and mental hospital admissions.⁴⁸ Based on their findings, they argue that job losses impose costs on the state since it has to maintain clinics, health insurance systems, police forces, and correction systems to deal with deviancy problems.⁴⁹ The social costs of layoffs are extensive and intractable because, following opportunity costs, funds will be taken

away from competing social needs in order to implement programs that address RIF-related problems. The two authors are concerned that public managers grossly underestimate the effects of RIFs because they estimate costs narrowly in organizational terms rather than on a wider range in terms of state-wide effects.

Transitional Equity

From a broader perspective, concerns under the household model include the notion of severance pay -- which is conceptually consistent with the idea of transitional equity. Questions of transitional equity arise when a new policy plan -- including staff retrenchment -- creates adverse situations for specific individuals or classes of individuals.³⁰ For a cutback manager faced with fiscal scarcity, severance pay could be accomplished in kind -- rather than in cash -- by intensification of the commitments set forth in section 3 (page 35) under the household model.

The strongest ethical justification for severance pay derives from the thinking that those affected by RIF may have relied on the notion of job security -- fostered by the idea of merit implied in government job -- and may have made irreversible decisions and commitments. Those include having another child, or taking up a new loan. Indeed, severance pay for retrenched workers conforms with Kant's second moral formulation (see arguments on page 17-

18). This means that workers laid off should be helped in the process of change into a wageless and benefitless future.

Summary

In this chapter, we examined the classical moral traditions -- utilitarianism and the deontological system whose propositions are believed to guide public managers. We observed that utilitarianism, despite its majoritarian concern for the welfare of the greatest number of people in the community incorporates, by omission, a gross injustice because of the system's insensitivity to the needs of the minority whose interests are compromised in the process. We realized that the deontological school -- primarily the Kantian formulations -- embodies a significant theoretical framework upon which a morally conscientious public manager can draw to redress that potential injustice.

In the second section, we proceeded to construct an ethical model based upon the analytical formulation built in the first section. The model is bipartite. The first includes the values of participation, openness, and the spread of the pain of scarcity -- all of which focus upon the internal processes of RIF. On the other hand, the second part incorporates a household model and addresses extra-legal obligations on the part of management with respect to its post-retrenchment relationships with the

retrenched staff. In the next chapter, we proceed to determine whether the ethical principles in the model have been applied in the 1987 Missoula County staff retrenchment process.

Notes

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4. Peter A. French, Ethics in Government (New Jersey: Prentice Hall Inc., 1983), p. 28.

5. Ibid.

6. Ibid.

7. Bowie and Simon op. cit., p. 35.

8. Ibid.

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10. Blumenthal, op. cit., p. 32.

11. Tom L. Beauchamp, "The Moral Adequacy of Cost-Benefit Analysis as the Basis for Government Regulation of Research," in Ethical Issues in Government, ed. by Norman E. Bowie (Philadelphia: Temple University Press, 1981), p. 163.

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32 Ibid., p. 175.

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45. Ibid.

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: The Crisis in the Public Sector, edited by Charles H. Levine (New Jersey: Chatham House Publishers, Inc., 1980), p. 322.

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Chapter Three

Practical Utility of the Ethical Model

Documentary Analysis

This paper is designed so that the model it develops serves as a basis for determining whether the management of Missoula County government applied ethical considerations in its 1987 RIF process. In connection with this goal, the questionnaire (Appendix A) adopted for interview focused upon key issues discussed in the model. On the management side, I interviewed two of the three county commissioners -- Janet Stevens (Chair) and Barbara Evans. I also interviewed five managers and heads of the county's key departments: Howard Schwartz, Executive Officer; Dan Cox, Budget Director; Dan Magone, Chief Sheriff; Kathy Crego, Director of Personnel and Labor Relations; and Dennis Lange, Director, Health Department.

With respect to the retrenched personnel, Table 3-1 shows the total number of people affected, how many were unavailable for interview, those who declined to answer my questions, and the number actually interviewed. The number of those actually interviewed came to be 51 percent of the total of those laid-off. The results are used in the following sections of this chapter where the model is applied in assessing Missoula County's approach to the 1987 RIF. In the "unavailable for interview" category, I used phone numbers supplied by the Personnel Department. I

called many times. I found that, for a good number of them, their phones had been disconnected. For some, their roommates would say they are out of town. In the case of others, nobody answered the phone call at all. I took it that these people had left Missoula to seek alternative employment. In the case of the only person whom I contacted who refused to answer my questions, I asked her to say something to no avail.

TABLE 3-1
STRUCTURE OF INTERVIEWS FOR MISCELLANEOUS COUNTY RETRENCHED STAFF

	NUMBER LAID-OFF	NUMBER UNAVAILABLE	NUMBER CONTACTED	NUMBER REFUSED	NUMBER INTERVIEWED
Executive Officer	1		1		1
Budget Officer	1		1		1
Attorney	1	1			
Sanitarian	2	1	1		1
Education Officer	1	1			
Nurse	1		1		1
Management Specialist	1	1			
Deputy Sheriff	7		6		6
Medical Assistant	1	1			
Clerical Staff	11	5	6	1	5
Bailiffs	2	2			
TOTALS	29	12 (41%)	16 (55%)	1 (6.9%)	15 (51%)

From the management side, it is pleasing to note that the officers mentioned above proved keen to talk about the problem and demonstrated a high level of frankness in the presentation of relevant information and the description of the processes by which management addressed the problem.

The genesis of the fiscal problem dates as far back as the 1986 budgetary process when management began to anticipate big problems in the fiscal years ahead. Management speculated on "Would Constitutional Initiative (C.I.) 105 pass?"¹ "Would it be politically possible for state legislators to find alternative revenue sources?" "What would Congress do regarding revenue sharing?" In March of 1986, management realized that the county would be losing some \$1.2 million from the General Fund.²

To implement action, the county management initiated a number of processes. It arranged a cutback management seminar that cost the county some \$2000.³ The need to bring in a neutral, uncommitted, and disinterested outsider motivated this management gesture. In addition, the county commissioners held a series of meetings with heads of departments. One such meeting resulted in the memorandum of May 4, 1987 (Appendix B), which addresses measures designed to alleviate some problems that retrenched workers might confront.

The budgetary approach adopted is cut "across-the-board," or percentage cut. This approach is

all embracing in the manner it spreads the pain of scarcity and evokes images of equity and justice. Nevertheless, its implementation left departmental heads with discretion. As result, dissimilarity occurred in the treatment of staff in individual departments.

For example, while the General Services and Health departments notified their RIF-affected employees about the county's intention to retrench staff on April 13, 1987,⁴ The Sheriff's department notified its own workers about the same plan on May 11. The sheriff feared that productivity, along with employee morale, would decline if the department publicized the RIF plan earlier. His fears seemed to have been vindicated when he observed that the number of traffic tickets dropped from ten tickets per person per month to only four tickets per person per month.⁵

Second, the mode of supervisor/employee relations also differed. In the Personnel, Health, and General Services departments, heads of departments said they communicated with affected staff informally, and that relations included person-to-person talks⁶ about the County's fiscal problem. On the other hand, the Sheriff's department interacted with its RIF-affected staff formally and in a representative mode. That is, the department limited communications with employees about the lay-offs to negotiations with the Missoula County Deputy Sheriffs Association.⁷

The Sheriff Department stands out as the only organization within the county in which management/employee interaction with respect to the current RIF did not include person-to-person talks. The following suggestions may explain this problem. First, the Chief Sheriff as an individual may be part of the school of thought that accepts the group model approach to management/labor relations which assumes that union member's interests and views on issues coincide with those of the leadership. This perspective discourages further person-to-person communication with individual employees (see arguments on participation page 22-25).

Second, direct relations with staff in addition to management/labor negotiations may expose management to charges, by unions, of adopting a "divide and rule" strategy -- an allegation that could trigger off labor unrest within the department. The presence of a strong association like the County's MCSDA increases the potential for this situation. Finally, the need to maintain continuity and consistency with respect to past unfinished agenda in related labor matters heightens the temptation, on the part of the manager, to limit communication to the union level.

We now turn to the unions and how they responded to protect their members. There are several employee associations in the county: the Missoula County Deputy

Sheriff's Association (MCSDA), the Montana Public Employee Association (local unit I) and local unit II (nurses), Civilian Control Officers (Teamsters, Local II), the County-City Library Association and so on. In my interviews, management revealed that it met several times with the employee associations as part of efforts to deal with the fiscal problem.⁸ The MCSDA is the strongest employee association in the county. My interviews with both retrenched deputy sheriffs and civilian employees revealed that it was also the most activist throughout the RIF process.⁹ Therefore, its performance, with respect to negotiations with the county's management, can be taken as a measure of success or failure on the part of the county's employee unions to deal with the lay-off problem.

The MCSDA made a series of far-reaching proposals as a means of blocking the lay-offs or, at least, saving a few deputy sheriff positions. These are discussed below.

Unpaid Vacations

The MCSDA proposed that its members take unpaid vacation on a rotational basis so that vacationing deputies could report to work to handle their individual case loads. It suggested additional arrangements in order that those on unpaid vacations can also report to work to cover emergencies. Further, it claimed that the arrangement would save six deputy sheriff positions (see Appendix C).

Compensatory Time

In addition to the unpaid vacation option, the sheriffs suggested the conversion of the unit's overtime budget (\$29,000) to "compensatory time in lieu of overtime monies" (Appendix D). Savings from such a sacrifice, they argued, would save one sheriff position.

Traffic Enforcement Unit

Finally, the sheriffs advocated the creation of a Traffic Enforcement Unit to enforce the provisions of a new legislation that authorized the county to retain 50 percent of the proceeds from traffic ticket fines. The targets for the proposed intensified traffic enforcement included school zones, school bus routes, residential and other heavy traffic/pedestrian areas. The association argued that the establishment of such a traffic unit would not mean increased operational costs since existing patrol cars would be used for the new operation. Besides, the association further contended that the new unit -- which would be self-sustaining -- could also serve as a backup for other law enforcement duties (Appendix E).

Management's Response to the MCDSA's Proposals

In the memorandum (Appendix F) of May 29, 1987, addressed to the county commissioners and copied to the chief sheriff and the president of the Missoula County Deputy Sheriff Association, the director of Personnel and

Labor Relations responded to the proposals made by the association. With regard to the association's "leave without pay" proposal, the personnel director observed that adoption of the proposal implies scheduling an aggregate of 165 weeks LWOP for the fiscal year (FY) 1988 with the exclusion of sick, training, holiday, and military vacations. She argues that in a year when the sheriff department is considered fully staffed all of such vacations and aggregate time-off add up to 195 weeks. This means 30 weeks in excess of the union's projected 165 weeks LWOP. Moreover, she contended that the proposal is unacceptable for two other reasons: it is only short range and, therefore, not suitable for the long term nature of the county's fiscal problem; secondly, such short range proposals have been discouraged in other departments and the philosophy should continue to apply across-the-board.

The memo also conveyed management's rejection of the MCSDA's "compensatory time" option for the similar reason that it is short term. Finally, like the other two options, the traffic enforcement unit proposal did not succeed. According to the memo, the problem with the traffic enforcement unit proposal is that it is tied to three unknown factors that needed to be sorted out. They include: 1) the post-legislation legal interpretation -- presumably to determine the intent and possibly the scope of the new law; 2) revenue accruable under the new legislation

is difficult to forecast prior to its interpretation; and 3) not all tickets result in fines -- presumably some traffic defaulters escape prosecution based on circumstance and judicial discretion.

Appendix G contains the Deputy Sheriff Association's response to the personnel director's memo (Appendix F). The MCDSA responses show that the deputy sheriffs are serious with their proposals -- particularly those relating to "leave without pay" -- and that they believed that the proposals are feasible. A total of 45 sheriffs signed up, indicating a firm commitment to take an aggregate of 111 weeks or 555 working days off. The precise amount of budgetary savings that would result from this number of unpaid leaves is difficult to calculate since deputies are on different pay points. However, the cumulative leave figures (555 days indicated by the sign up sheet) under the MCDSA option do not add up to the 165 weeks or 975 days aggregate leave time (vacations, sick, holidays, school, military) which the personnel director argued would be needed (based on past experience) when the sheriff department is fully staffed.

Besides, the MCDSA option has contractual constraints following article XII of the labor agreement between the association and the county. Adoption of the leave without pay proposal would require that the seniority concept with regard to the vacationing deputies in excess of fifteen days

be frozen. Yet, the association proved willing to compromise in this regard despite the importance of seniority to its members. In addition, the county's employee insurance program is also tied up with its LWOP policy. Unpaid vacations in excess of 15 days means forfeiture, by affected staff, of coverage under the organization's insurance arrangement (Item C, Appendix G).

In an interview, the Director of Personnel and Labor Relations said that the county commissioners met with heads of departments to consider the MCDSA's latest proposals including concessions concerning the seniority concept as it relates to the LWOP. In the end, management rejected the idea because the solution it proposed is only short term and, therefore, inadequate to address what they considered a long range fiscal problem facing the county. In addition, she said management rejected the LWOP proposal because of scheduling problems.

During the same interview session, the director disclosed that management later decided to give the MCDSA'S traffic unit proposal a try. The county spared one deputy sheriff's position under the condition that the unit generate \$1,200 monthly. Unfortunately, the effort generated only about \$400 a month. Management terminated the program as its continuation was uneconomical.¹⁰

Application of the Ethical Model in Assessing
Missoula County's Approach to the 1987 RIF

In the foregoing section, we discussed the roles of both management and the employee associations in the Missoula County's 1981 RIF process. Analysis included examination of key documents that changed hands between the two groups. In this section, the ethical model developed earlier, will be applied in assessing the County's approach to the 1987 RIF with respect to the model's principles of participation, openness, spreading the pain of scarcity, and the household concept.

Participation

The model required that union/management interaction be augmented by individual worker participation. This proposition assumes that cutback management decisions will be sufficiently decentralized so that debate over alternative strategies takes place closer to potential victims. As the model suggests, the justification for this requirement is based on the fact that unions have no effective answers to RIFs.

We observed above that the Missoula County management involved the unions in discussions with respect to the 1987 lay-offs. This is exemplified by management's negotiations with the MCSDA. All of the county's 15 retrenched staff I contacted and interviewed agreed that the county management interacted with the employee associations with regard to the

RIF. We also observed that management rejected all of the policy options proposed by the association and that the MCSDA, despite its militant activism, did not consider strike action as part of overall strategic response to the management's RIF policy. In other words, the union acquiesced with management following its inability to block the RIF. It is noteworthy that the 1981 federal lay-offs also did not trigger any nationwide strike action and that President Reagan prevailed over the national unions.

At the individual worker level, based on interview results, the majority of the department heads -- Health, Personnel and General Services departments -- had person-to-person contacts and discussions with RIF-affected workers. Sixty percent of the retrenched personnel I contacted and interviewed confirmed this fact. However, all of the six retrenched deputy sheriffs I interviewed argued that communications between them and their department head did not include person-to-person talks.

In summary, the county satisfied the ethical model's condition requiring that union/management negotiations in RIF-related matters be augmented with individual worker participation with respect to the personnel, general services, health, and other departments that adopted face-to-face discussions between heads of departments and

their individual RIF-affected employees. However, this did not occur in the case of the Sheriff's Department.

Openness

With regard to openness, the model developed in this paper rejects the idea of management creating an exclusive inner body that makes critical RIF-related budgetary decisions. It also expanded the notion of openness with regard to RIF to include 1) early publicity of management's intention to RIF; and 2) publicity that reflects jurisdictional job characteristics;

that is, the relative ease or difficulty for retrenched workers to find alternative employment in that county or city.

All the Missoula County management officers I interviewed agreed that the county's approach to its fiscal problem included the formation of a budget team comprised of the budget director and other department heads. The task of this small body, no doubt, included consideration of minute budgetary details, including the various options. All the RIF-affected personnel I interviewed (51 percent of total lay-offs) argued that the budget team included neither themselves nor their representatives.

With respect to publicity, we observed above that whereas the general services, personnel, and health departments notified their staff of management's intention

to RIF on April 13, 1987, the sheriff's department notified its personnel about the same policy on May 11. Management expected the retrenchment to take effect on June 30th.

In effect, RIF-affected workers informed on April 13 had approximately 48 days to seek alternative employment, whereas their counterparts notified about the retrenchment on May 11 had only 20 days to look for other jobs. Besides differential treatment with respect to publicity, Missoula, County's employment potential is not promising. According to Missoula Job Service department, government wages for clerks and related office jobs are better in the county compared to the private sector. Thus retrenched employees who are lucky enough to find jobs outside government must accept lower salaries. This means that people will have to go out of state to look for jobs. In this connection, 20 days or even 48 days notice to RIF-affected staff does not reflect Missoula, Montana's job characteristics. In view of the foregoing analysis, the county failed to meet the requirements of the ethical model with respect to the principle of openness

Spreading the Pain of Scarcity

The model's third factor, spreading the pain of scarcity, is concerned with the incidence of RIF among employee groups. It mandates the concept of vertical spread so that position cuts extend to the upper rungs of the organizational hierarchy to net in big earners. The model recommends this RIF approach because of its potential to depress the aggregate number of people laid-off and, ensure, following Kant, that past winners are not exempted from the pain of scarcity. Central to ethical concerns is the idea that human beings are moral agents. In a situation of cutback management, the major ethical consideration must include minimizing the incidence of the pain of scarcity for human beings.

Table 3-2 shows the positions affected by the county's RIF action and their vertical spread, while Figure 3-1 highlights the hierarchical structure of the incidence of cuts. The incidence of the pain of scarcity is heaviest on low-paying and entry-level positions; it is lowest on the upper level employee groups. Management tried to reduce the number of people affected by laying off two key officers from among its ranks -- the executive officer and the budget director. Also at the upper level, the county retrenched an attorney. This is exemplary. However, the county's structure of position cuts as depicted by Figure 3-1

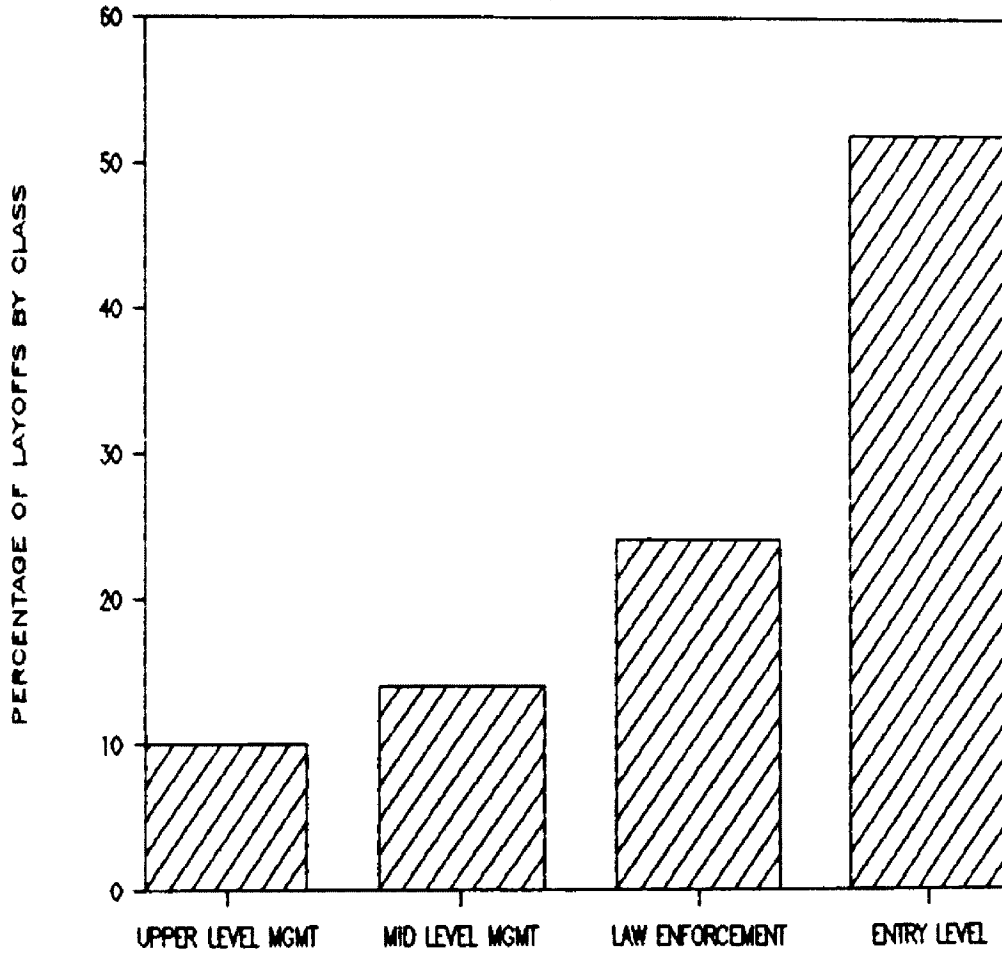
TABLE 3-2
 HEIRARCHICAL SPREAD OF RIF IN MISSOULA COUNTY, 1987

	UPPER LEVEL MANAGEMENT	MID-LEVEL PROFESSIONAL	LAW ENFORCEMENT	ENTRY LEVEL
Executive Officer	1			
Budget Officer	1			
Attorney	1			
Sanitarian		2		
Education Officer		1		
Nurse		1		
Management Specialist		1		
Deputy Sheriff			7	
Medical Assistant		1		
Clerical Staff				11
Bailiffs				2
TOTALS	3	6	7	13

Figure 3-1

HIERARCHICAL SPREAD OF RIF

MISSOULA COUNTY 1987



still shows an anti-Kantian pattern because of concentration of cuts at lower, and bottom rungs of the county's organizational hierarchy -- where position cuts from deputy sheriff down to the custodial workers constitute 89 percent of total cuts. The share of the county's clerical group alone within this range is 41 percent. The issue here is that the county did not match its assumed principle of horizontal equity implied in the "across-the-board" strategy with an equally important vertical equity, which focuses upon treatment of people in an unequal circumstance. The latter approach is morally necessary when cutbacks involve RIF.

Based on the foregoing analysis, the county's structure of personnel cuts fails to satisfy the model's requirement with respect to the principle of hierarchical spread of the pain of scarcity even though the county laid-off two key management staff and an attorney.

Post-Retrenchment Relationship

The approach adopted by the county in providing for its retrenched personnel and the image of the post-retrenchment relationship between it and those staff resemble those projected by the "household" principle proposed in this paper. The county adopted what might be called "rule bending," or provision beyond the scope of its personnel policies and its contractual

obligations, in order to achieve this moral objective. As part of the retrenchment processes, management set up a committee charged with the responsibility to search and identify employee assistance programs in existence within the county and beyond for the benefit of the county's RIF-affected employees.

The task force initiated the following programs; 1) the Missoula Employment Service advised employees on how to apply for benefits, the rules and regulations pertaining thereto, and job registration techniques; 2) the Missoula Vocational Technical Center held classes to teach employees job hunting techniques as well as instructions covering a variety of subjects including application for jobs, resume writing, interviews, and skills inventory and job preferences; 3) the State Professional Center held seminars to advise employees on changing careers for county employees; 4) the Employee Assistance Program (EAP), explained and advised employees on the availability and duration of counseling services within the county after retrenchment; and, 5) the Public Employee Retirement System (PERS) answered questions concerning employee retirement options (Appendix H).

Other extra-official initiatives designed to assist retrenched county personnel focused on personal finance. The Personnel Department arranged classes to advise workers on debt restructuring and other finance-related problems

facing families of RIF-affected staff (Appendix I). Job training also received priority attention as part of the overall staff assistance program. In this connection, the Personnel Department arranged a variety of computer training courses exclusively for laid-off staff (Appendices J and K). In addition, the Department invited representatives of the State Department of Lands and the United States Forest Service to offer classes for the benefit of employees in the area of wildland fire containment.(Appendix J)

It is important to observe that all of the above classes and lectures took place during normal office working time. Besides, all the management staff and more than 80 percent of retrenched employees I interviewed said that the county allowed laid-off workers to use working hours for purposes of job interviews. In the sheriff's department, some of the RIF-affected deputies went out of state to neighboring Oregon, at times for two days, to attend job interviews without time off.(11) Sixty percent of the RIF-affected personnel I interviewed, said that the county treated them well with respect to the search for alternative employment. On the other hand, forty percent (mostly deputy sheriffs) said that they were not treated well in their effort to find another job.

Moreover, laid-off staff received instrumental assistance from the county. They used county typewriters and Xerox machines to prepare job applications and resumes.

In addition, the county commissioners advised heads of departments to write recommendations, and make themselves available to answer job-related questions through telephone calls or in whatever manner necessary on behalf of retrenched workers seeking new jobs.

Further, as part of its post-retrenchment employment program, the county re-engaged some of the laid-off staff as vacancies became available. The Sheriff's Department later received a grant of about \$80,000. Based on this new fund and job openings resulting from resignations and minor internal reorganizations, the county adopted the post-retrenchment employment policy shown in table 3-3.(12)

As the table indicates, the County rehired 34 percent of the 29 workers it originally laid-off. The distribution is as follows:(1) 40 percent of the reengaged personnel received the same positions as they were laid-off; (2) 20 percent were employed into positions higher than those from which they were retrenched; and (3) 30 percent received positions lower than their original positions. The significance of this policy lies with the fact that it reflects management's desire to satisfy the individual's basic need for employment rather than concern for efficiency. This is because some of the new jobs required skills different from those of positions previously held by the rehired employees. The County's re-engagement of the purchasing technician as a criminal justice aide is one

example of this nonefficiency morally motivated gesture.

Moreover, as revealed by my interview with the Director of Personnel, one of the retrenched clerks received what might be called inter-departmental post-placement treatment. Having been laid-off, the retrenching unit -- the Personnel Department -- helped to place her in the Justice Department. A few weeks after, her new office laid her off. Again, the Personnel Department intervened and this time placed her in the Missoula

TABLE 3-3

MISSOULA COUNTY POST-RETRENCHMENT RELATIONS WITH RIF-AFFECTED STAFF

<u>Position Layoff</u>	<u>Position Rehired As:</u>	<u>Current Status</u>
Attorney	Attorney	Same
Secretary 11 (half-time)	Library Clerk (half-time)	Lower
Microfilm Operator	Recording Clerk (half-time)	Higher
Microfilm Operator	microfilm Operator	Same
Computer Operator	District Court Clerk	Lower
personnel Assistant	Library Clerk	Lower
Purchasing Technician	Criminal Justice Aide	Higher
Nutrition Aide	District Court Clerk	Lower
Motor Vehicle Clerk (half -time)	Motor Vehicle Clerk(half-time)	Same
Sheriff	Sheriff	Same

County-City Library, where she presently works. (13)

Based on the accounts above, we can conclude that Missoula County, to a large degree, complied with the principles of the household concept proposed in this paper's model. After laying off staff, the county went beyond its personnel rules (i.e., it engaged in rule-bending) in order to extend help to its ex-workers. In particular, the debt scheduling program initiated by the county's RIF task force is consistent with the model's proposition with respect to the idea of severance pay. The model envisioned that employees may have undertaken new commitments, including having an additional child or taking up a new loan, or both, based on the notion of security implied in government job. The model allowed for severance pay in-kind rather than in-cash. Besides, the county's debt scheduling gesture and its family-related advisement program also satisfied the model's in-kind severance pay under conditions of scarcity.

Summary

Based on this analysis, the Missoula County government satisfied the requirements of the ethical model regarding participation in all but one department -- the Sheriff's Department, where labor/management communication in matters concerning RIF did not include face-to-face discussion with individual RIF-affected employees. With

respect to the model's concept of openness, as expanded to include the notion of prompt publicity of intention to RIF, the county failed to comply with the model.

With regard to the model's third component -- the concept of hierarchical spread of the pain of scarcity -- we observed that the county tried, commendably, to implement cuts that mirror patterns suggested by the model. In particular, it laid-off two of its key management personnel -- the county's executive officer and the budget director. However, the concentration of 89 percent of the total staff layoffs at the bottom rungs of the organizational ladder means that the effect must be anti-Kantian and, therefore, failed to satisfy the ethical principles of the model with respect to vertical equity achieved through hierarchical spread of the pain of scarcity.

On the issue of the post-retrenchment relations between the county and its laid-off staff, we observed that the county, to a considerable extent, satisfied the model's household principle.

It adopted "rule bending" that allowed RIF-affected employees to use the county's time to attend job interviews. The county's task force initiated several employee assistance programs to help retrenched workers. Its employee debt scheduling and family-related advisement programs also satisfied the model's proposition with respect to in-kind severance pay under conditions of scarcity.

However, to be effective, post-retrenchment relations must reflect other realities of employment life. Crispy resumes, well-typed applications, and fanciful recommendations are no longer enough. Personal contacts carry considerable weight in the world of employment today. This means that management must also utilize job-related personal contacts with potential employers on behalf of their retrenched employees.

In a telephone interview, the County's Chief Sheriff argued that he personally contacted more than half a dozen potential employers outside of the state of Montana -- including those in the neighboring states of Idaho and Washington -- as part of his department's efforts to assist retrenched deputies in finding alternative employment.¹⁴ Other department heads I interviewed made similar claims. The General Services Director contended that he made personal phone calls to two firms in the states of California and Washington as a means of helping his laid-off staff to find jobs. On his part, the Director of the County's Health Department said that he talked directly to a manager in the Missoula Home Help Agency on behalf of a RIFed employee in his organization with a related skill.¹⁵ The Director of Personnel and Labor Relations did not make employment-related person-to-person contacts with employers outside the city government to aid workers laid-off from her department; however, her assistant assigned

with retrenchment-related duties made several phone calls in this regard.¹⁶ This extra-official effort by members of management is consistent with the model's household philosophy.

In any case, fifty percent of the laid-off staff (mostly deputy sheriffs) I interviewed, argued that after retrenchment they received employment-related fliers, but that the pamphlets pertained to jobs outside their occupational fields. While this finding does not disprove management claims reported above, it underscores the fact that room exists for improvement.

The next, and final, chapter assesses the model's utility for purposes of implementing RIF. The goals are to ascertain its strengths and weaknesses and to explore possible areas of improvement.

NOTES

1 Interview with Howard Schwartz, County Executive Officer, on July 2, 1987.

2 Interview with Dan Cox, Budget Director, on July 9, 1987.

3 Dick Menning, "Revenue Hole May Lead to County Pink Slips," Missoulian, April 2, 1987, p.3

4 Interview with John Devore, General Services Director, on July 12, 1987 and Dennis Lange, Director, Health Department, on July 16, 1987.

5 Interview with Dan Magone, Missoula County Chief Cheriff, on July 2, 1987.

6 Interview with Kathy Crego, Director of Personnel and Labor Relations, on July 30, 1987. Crego argued that one of the retrenched employees wrote to thank the department for being up front with them. Also, interview with John Devore on July 12, 1987.

7 Interview with Dan Magone, Chief Sheriff on July 2, 1987, and telephone interviews with six of the retrenched deputy sheriffs.

8 Interviews with Howard Schwartz, Dan Magone, and Kathy Crego.

9 Telephone interviews with five deputy sheriffs and five of the retrenched clerks.

10 Interview with Kathy Crego, on October 22, 1987.

11 Ibid.

12 Ibid.

13 Ibid., July 30, 1987.

14 Interview with Dan Magone, the Chief Sheriff, on December 3, 1987.

15 Interviews with John Devore, Director General Services, and Denis Lange, Director, Health Department, on December 3, 1987.

16 Interview with Kathy Crego, on December 3, 1987.

Chapter Four

Conclusion: Assessment of the Model

The concerns articulated in the model developed in this paper are with ethical, noneconomic considerations. The model makes assumptions of a moral nature about relationships between government and its employees. It argues that public employees have rights that government is morally obligated to protect, and that although government adopts market standards to cope with scarcity, it cannot be absolved from such an important duty.

The model's assumption about moral obligation on the part of government vis-a-vis its employees may be idealistic to the extent that it discounts the dominant preoccupations and frustrations of public managers faced with budget cuts. The model, however, focuses on patterns of relationships and processes that come into play when organizational cutbacks involve staff retrenchment. It is more concerned with the "how" of RIF -- employee participation, secrecy, and distribution of the pains of scarcity -- than with the "what" of the cutback question -- the amount of cuts, etc.

The model attempts to delineate the critical points in cutback decisional processes at which ethics must become an issue. It forecloses potential attempts on the part of cutback managers to ignore ethics or pay lip service only

to them under the rubric of efficient management. The model succeeded with respect to all of its four propositions. The failure on the part of the Missoula Deputy Sheriffs Association and other unions in the county to block the lay-offs or at least push through any of their alternative proposals, coupled with total management ascendancy support the model's assertion that an employee facing retrenchment is a "loner" because of union incapacity regarding RIF and that individual worker participation be adopted to augment union/management negotiations in such matters.

The conflict between management concern to avoid productivity declines exemplified in the case of the county's Chief Sheriff and the need for prompt publicity of intention to RIF so that potential victims can begin an early search for alternative employment also vindicate the model's proposition that in RIF situations, the concept of openness must be expanded to include the idea of early publicity. In implementing the retrenchment, the county's management tried to be as open as possible, a claim supported by more than 60 percent of the retrenched personnel interviewed. However, management set up a budget team whose membership included neither the RIF-affected staff nor their union representatives.

That the county concentrated its budget cuts on lower level positions vindicates the model's concern about the tendency of RIFs to be anti-Kantian and supports the model's

proposition that hierarchical spread of the pain of scarcity be adopted to achieve equity and reduce the aggregate number of people who suffer the pain of scarcity. Out of the 29 people involved in the county's lay-offs, 76 percent held positions from deputy sheriff to custodial. The 1981 federal government lay-offs showed a similar pattern. According to the Merit System Protection Board's (MSPB) study conclusions, 79 percent of the total federal lay-offs that year, involved women and minorities -- the two categories known to hold low-level and low-paying positions in the federal service. Finally, the model's "household" principle provides the theoretical perspective from which the county's humane gestures to its retrenched staff can be appreciated.

Though the model developed in this paper succeeds to a large extent, vital improvements are necessary following lessons learned in the course of the research experience. First, one of the model's four concepts -- participation -- ought to have been operationalized such that interviewees, especially the retrenched employees, are better able to indicate at what levels of communication participation is critical in order to influence actual decision making. For example, some employees who answered "yes" with respect to participation also answered "no" when asked if they, or their union representatives were members of the budget committee. Moreover, some of the RIF-affected personnel

were cautious about what they said even when I assured them complete anonymity and explained the purpose of the study to them. This problem could be minimized by adopting a methodology that incorporates anonymous, written, mailed-back questionnaires.

The demonstrated utility of the model recommends its adoption by public management. Although the model addresses purely ethical issues, its perspectives have productive economic implications. For instance, adoption of the model's proposition concerning early publicity of intention to RIF means that RIF-motivated panic and other productivity -- depressing forms of psychological upsets will be limited only to the few workers to be affected. Concealment means that the entire work force will be panic-ridden causing much greater loss in productivity and man-hours.

The model's concept of hierarchical spread of the pain of scarcity also has efficiency-related potential. Cutback managers are concerned about ways of facilitating a retrenchment process in order to achieve early post-retrenchment stability. Hierarchical spread of the pain of scarcity involves a sense of equity, eliminates suspicion, and elicits cooperation among staff -- including RIF-affected personnel - based on the perception that adversity is equitably distributed.

Finally, the model's household principle should appeal to management because, besides ethics, it promotes the

thinking that retrenched personnel are organization's trained human resources whose skills may be needed when fiscal normalcy returns. The household principle presupposes that workers humanely treated after retrenchment will not only be willing to return, but will resume prior loyalty and dedication levels.

With respect to implementation, practical application of the model can take either of the following forms: (1) management on its own accord and good will can adopt the model's principles; or (2) if the unions are convinced that the model suits their purpose, they can, through collective bargaining, compel management to adopt it by inserting the model's concepts into labor contract agreements with management.

Secrecy vs. Participation

7. How did you reach the decision to cut personnel?
8. At what point in the decisional process did you inform personnel of impending reduction-in-force?
9. Do you think the time frame was long enough to permit potential victims to seek alternative employment?
10. Did you think early disclosure of the decision to retrench staff would have an adverse impact on workers' morale and therefore productivity?
11. Do you think the method you adopted in reaching this decision (to rife) permitted worker participation, non-unionized potential workers.
12. If no, why not? If yes, was there a department-wide personnel involvement in the discussion of the ongoing rife in the county?
13. If workers did have input, to what extent were those views incorporated into what you have now adopted as rife policy?

Post Retrenchment Relationship with Rifed Workers

14. Reduction-in-force seems to mean involuntary unemployment brought about by factors for which workers are not responsible. Do you feel any sense of obligation to the victims of your policy in the understanding that rifing is a disruptive experience? (a) If no, why not? (b) If yes, do you think

some compensatory programs, such as severance pay, retraining, job placement, etc., are necessary?

15. What did the county (your office) do for those rified?

Appendix A (cont.)

INTERVIEW QUESTIONS FOR MISSOULA COUNTY'S
RETRENCHED EMPLOYEES

1. With whom did the Missoula County's management hold discussions about the RIF? (a) The Union? (b) The RIF-affected staff? (c) Both with the Union and the RIF-affected staff?
2. Do you think you had opportunity to participate fully in the cutback management decisions? Did you have face-to-face talks with your department head?
3. Were you part of the County's budget team during the cutback management processes?
4. Do you think the County adopted RIF as a last resort?
5. How easy do you think it is for you to find alternative employment here in Missoula?
6. What did the County do to help you find alternative employment?
7. What did the County do to help you cope with stress arising from job loss? Are you satisfied or do you think the County should do more?
8. Was your decision to join the County's service motivated by desire for (a) job security? (b) superior retirement benefit?
9. Do you feel a sense of disruption in your career because of this layoff?

MISSOULA COUNTY

BOARD OF COUNTY COMMISSIONERS

• Missoula County Courthouse • Missoula Montana 59802

(406) 721 5700

BOC 67-210

MEMORANDUM

DATE: May 4, 1997

TO: All Departments

FROM: Board of County Commissioners

RE: IMMEDIATE MEASURES TO HELP EMPLOYEES AFFECTED BY
THE LAY-OFFS TO FIND OTHER JOBS

In order to alleviate some of the stress that will accompany lay-off notices, we immediately authorize the following measures until the effective date of lay-offs:

1. Affected employees shall be allowed time off from their jobs for job applications and interviews. This time off should not be deducted from sick, vacation or compensatory time due the employee.
2. Work time should be scheduled on a reasonable and as-needed basis for affected employees to prepare resumes. Sample resumes and guidelines for writing resumes are available from the Personnel Office.
3. Affected employees should be allowed to use office machines (typewriters, copiers, word processors) to prepare resumes. Typing services can also be provided by individual departments where possible; and the Personnel Office will type resumes, if requested.
4. Department Heads are encouraged to personally contact any Missoula employers they are familiar with to help employees find leads to job openings. The Personnel Office will forward notices of available jobs to departments; please post and give to employees.
5. Department Heads and Supervisors are asked to make themselves available for telephone and written references for employees to be laid off.

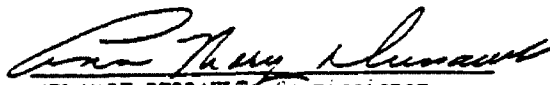
To avoid any misunderstandings, we suggest that Department Heads inform affected employees at the outset as to limits and parameters of the above assistance. For example, how much time off will be allowed and when; what access to office machines or typing services will be provided, etc.



 JANET STEVENS, Chairwoman



 BARBARA EVANS, Commissioner



 ANN MARY DOUSSAULT, Commissioner

Appendix C

THE FOLLOWING THREE PAGES CONTAIN THREE METHODS WITH WHICH IT IS FELT THAT AT LEAST SIX DEPUTY SHERIFF POSITIONS CAN BE SAVED. THE CALCULATIONS ON WHICH THESE IDEALS ARE BASED, ARE ON AS BEST INFORMATION AS WE HAVE AVAILABLE, AND SOME ADJUSTMENT MAY BE NEEDED. THEY DO, HOWEVER, DO NOT INCLUDE THE "BUY OUT" THAT WOULD BE SAVED BY KEEPING THESE SIX EMPLOYEES WORKING. THIS AMOUNT OF MONIES SHOULD BE APPROX. \$20,000.00. THIS AMOUNT SHOULD MORE THAN COVER ANY ABOVE ADJUSTMENT, IF IN THE NEGATIVE, PLUS FUND ANOTHER POSITION AT LEAST PARTIALLY.

IT IS ALSO REALIZED THAT MANY PEOPLE WILL BE OFF OF WORK AT ANY PARTICULAR TIME, BUT THESE PEOPLE WILL BE ROTATING BACK TO WORK, PROBABLY ON A WEEKLY BASIS AND BE ABLE TO, HOPEFULLY, CATCH UP ON THEIR CASE LOAD AS IN THE DETECTIVE DIVISION, AND MAINTAIN EFFECTIVE PATROL IN THE PATROL DIVISION. THE TOTAL NUMBER OF DEPUTIES WILL ALSO BE GREATER AND AVAILABLE IN EMERGENCIES. THIS IS A BETTER ALTERNATIVE THAN NOT HAVING THESE DEPUTIES, AND THEIR EXPERIENCE AND TRAINING, AT ALL.

IT IS ALSO REALIZED THAT THIS IS ONLY A START, AND WITH SOME MORE WORK AND OPTIONS LOOKED AT, MAYBE MORE POSITIONS CAN BE SAVED. IT IS ALSO REALIZED THAT SOME OF THESE IDEAS ARE A SHORT TERM SOLUTION, AND WILL HAVE TO BE ADDRESSED EACH YEAR UNTIL MONETARY TIMES IMPROVE.

THE MISSOULA COUNTY DEPUTY SHERIFF ASSOCIATION IS WILLING TO SACRIFICE TO KEEP AS MANY PEOPLE WORKING AS POSSIBLE AND TO MAINTAIN THE INTEGRITY AND PROFESSIONALISM OF THE MISSOULA COUNTY SHERIFF DEPARTMENT. IT IS HOPED THAT THROUGH COOPERATION AND WORKING TOGETHER, MANY POSITIONS CAN BE SAVED.

Appendix D

COMPENSATORY TIME

RECENT INQUIRES TO MEMBERS OF THE ASSOCIATION REVEALS THAT MEMBERS ARE MORE THAN WILLING TO CONVERT OVER-TIME PAY TO COMPENSATION TIME OFF. WITH THE CLARIFIED RULING OF THE GARCIA DECISION, THIS IMPLEMENTATION WOULD BE EASILY OBTAINED.

IT HAS BEEN STATED THAT THE OVER-TIME BUDGET FOR THE SHERIFF DEPARTMENT IS \$29,000.00. BY IMPLEMENTING COMPENSATORY TIME IN LIEU OF OVER TIME MONIES, THE SAVINGS OF THIS BUDGET ITEM WILL SAVE THE POSITION OF ONE DEPUTY.

THE ALLOWED ACCUMULATED HOURS ARE NOW HIGH ENOUGH TO ALLOW SEVERAL YEARS TIME PERIOD IN TAKING THE TIME OFF WITH OUT CREATING SCHEDULING PROBLEMS.

Appendix E

TRAFFIC ENFORCEMENT UNIT

WITH THE PASSAGE OF NEW LEGISLATION ALLOWING 50 PER CENT OF TRAFFIC TICKET FINES TO GO TO THE COUNTY GENERAL FUND, THE INITIATION OF A TRAFFIC ENFORCEMENT UNIT IS A VIABLE OPTION WHICH TO SAVE TWO POSITIONS ON THE SHERIFF DEPARTMENT. THIS UNIT WOULD BE ABLE TO TARGET NEEDED TRAFFIC ENFORCEMENT AREAS SUCH AS SCHOOL ZONES, SCHOOL BUS ROUTES THROUGH HEAVY TRAFFIC AREAS AND RESIDENTIAL AREAS, AND OTHER HEAVY TRAFFIC-PEDESTRIAN AREAS SUCH AS THE LOCAL MILLS FROM WHICH COMPLAINTS ABOUT TRAFFIC HAVE COME. THIS UNIT IS NOT A NEW CONCEPT AS WE HAVE HAD A UNIT OF THIS NATURE BEFORE. BASED ON AS CURRENT DATA AS AVAILABLE, THIS UNIT WOULD NOT ONLY BE ABLE TO PAY FOR ITSELF, BUT TO GENERATE MANY THOUSANDS OF DOLLARS MORE FOR THE GENERAL FUND.

NO MONIES WOULD BE EXPENDED FOR THE INITIAL START OF THIS UNIT AS THERE APPARENTLY IS A PATROL VEHICLE WHICH THE OFFICERS WOULD BE ABLE TO USE, FIGURING ONE OFFICER ON DAY SHIFT AND ONE OFFICER ON AFTERNOON SHIFT. THESE OFFICERS WOULD ALSO BE ABLE TO PROVIDE A NEEDED BACK UP TO OTHER OFFICERS SHOULD THE SITUATION ARISE.

IT SHOULD BE NOTED THAT THE TICKETS WRITTEN BY OTHER DEPUTIES WILL ALSO HELP GENERATE REVENUE FOR THE GENERAL FUND, OVER AND ABOVE THE TWO TRAFFIC OFFICERS.

MISSOULA COUNTY
DEPARTMENT OF PERSONNEL AND LABOR RELATIONS
MISSOULA COUNTY COURTHOUSE, ROOM 160
MISSOULA, MONTANA 59802
TELEPHONE (406) 721-5700

MEMORANDUM

DATE: May 29, 1987
TO: Board of County Commissioners
FROM: Kathy L. Grego, Director
Personnel & Labor Relations
RE: Deputy Sheriff Association Proposals

At your request, I've reviewed the proposals presented by the Deputy Sheriffs' Association offering alternatives to layoffs. Following are my comments:

Leave Without Pay

If the overall purpose is to restore the level of manpower available, this alternative is ineffective. There is no net gain in the level of services or manpower available to the public.

A total of \$79,000 must be saved to retain three deputies. Applying the LWOP proposal and adjusting for an \$3,000 savings of payoff expenses, means each officer within the department must take approximately 22.74 days LWOP in the upcoming year. This is an aggregate total of 165 weeks per year LWOP that must be scheduled during FY'88 (excluding vacation, sick, training, holidays, military). In a year that the Sheriffs' Office is "fully staffed," the aggregate time off (all officers for all reasons -- vacation, sick, holidays, schools, military) totals only approximately 195 weeks.

The issue of scheduling the LWOP's is a major one that should be discussed with the Sheriff and his administrative staff.

The issue of scheduling the LWOP's is only a short-term solution that does soften the impact on a few individuals. A commitment not to fill any vacancies which occur during FY'88 will help deal with the long-term nature of the budget difficulties. However, this approach has been discouraged in the rest of the County due to the severity of the budget crisis, and I feel the philosophy should be applied uniformly throughout the County.

Compensatory Time

If all overtime hours budgeted during FY'88 are converted to compensatory time, as an average, each officer of the Patrol Division will accrue 106.5 hours

KATHY L. GREGO, Director, Personnel & Labor Relations

An Equal Employment Employer - Males - Females - Handicapped - Veterans

Appendix F (cont.)

Deputy Sheriff Association Proposals
page 2

of comp time.

An agreement can be reached indicating that no officer can apply to use his/her comp time during FY'88, and possibly FY'89, which would prevent further compounding of an already difficult scheduling problem for the Sheriff's office. However, again, this is a short-term solution; and this short-term alternative has the potential of actually worsening the long-range problem. That is, at some point in the future, officers will either have to receive significant amounts of comp time off, or if an officer terminates employment, the payoff will be substantial.

Traffic Enforcement Unit

While this alternative appears to be the most viable presented, there are still many uncertainties and potential problems. Before an accurate revenue projection can be made, legal interpretation of the legislation must be received. Other unknowns include number of traffic citations that will be issued (quotas may be required to ensure the amount of projected revenue is actually generated). Even if sufficient numbers of citations are issued, it is always unknown what fines, if any, will be imposed by the Justice Court.

During FY'87, of the total overtime dollars expended by the Sheriff's Office, 27-30% was for court-related overtime, a large portion of which were Justice Court cases. It seems logical that if traffic citations issued are increased, court-related overtime hours would also increase; thus, compounding the compensatory time/overtime pay issue.

Even with the unknowns and potential problems, if there is a strong possibility of increasing revenue to the General Fund, this option should be pursued.

cc: Dan Magone, Sheriff
Larry Jacobs, MCDSA President

MISSOULA COUNTY
DEPUTY SHERIFF'S ASSOCIATION

Box 4724

Missoula, MT 59806



DATE: JUNE 10, 1987
TO: KATHY CREGO
FROM: L. JACOBS, MCDSA PRESIDENT
RE: LAY OFF ALTERNATIVES

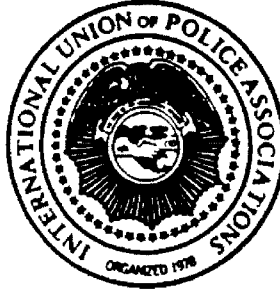
Let this act as a receipt of your memo dated June 8, 87. I was hoping that some of the policies that you referred to in your memo could be negotiated through a co-operative effort. I realize that there are contract restrictions concerning LWOP but since everyone would benefit by having more Law Enforcement and costing less money, I was hoping for a mutual agreement on the following items.

- A. LWOP at five working days at a time. I believe that if an officer is willing to take a LWOP he should be allowed to take it a day at a time in order to relieve the financial strain. There are a number of officers that are willing to take at least five days at a time anyway so this shouldn't be a large number of officers.
- B. Sick and vacation- We understand that Sick and Vacation time cannot accrue while on LWOP.
- ✓ C. Concerning Article XII of the contract- I believe that seniority would have to be frozen for officers taking LWOP. Seniority means a great deal to officers and if it cannot be frozen for those taking 15 days or more I think it defeats the whole purpose of saving money. The more time taken the more money saved. There are only a couple of officers that are willing to take more than 15 days LWOP anyway so I think this can be worked out.
- D. Insurance- We realize that our Insurance is expensive but again there are only about 4 or 5 officers willing to take LWOP in excess of 15 days. If these officers have to take a vacation day every 14 days it would no doubt add to the confusion we both are trying to avoid.

**MISSOULA COUNTY
DEPUTY SHERIFF'S ASSOCIATION**

Box 4724

Missoula, MT 59806



LWOP ALTERNATIVES CON'T

I know that LWOP is a confusing issue to say the least. I did not obtain the exact date that the officers would be willing to be off at this time. If the total number of weeks can be agreed to and approved I will get the date from officers that have signed up.

Enclosed please find the list of officers that I was able to contact and agreed to take LWOP. I know that some of these officers are not budgeted for in FY 88 but as we have talked about before, I believe I should be able to count the officers that would be saved by these proposals. I believe that the total weeks would not change more than possibly another 6 weeks but at this point there would not be any less. If Bob Parcell can schedule a Military school he would take alot more. I only counted from Bernie down to and thru Mike Brady. The total would be 85 weeks in this case. 111 weeks if everyone is counted.

We are still somewhat confused on what the weekly gross pay amounts to for an officer. I know it varies alittle but if you could let me know so I can calculate I would appreciate it.

L. Jacobs

A handwritten signature in cursive script, appearing to read "L. Jacobs".

Appendix G (cont.)

SIGN UP LIST- TIME OFF WITH OUT PAY

WE NEED TO KNOW HOW MANY WEEKS TOTAL EACH OFFICER IS WILLING TO TAKE OFF WITH OUT PAY, SO WE CAN SAVE AS MANY DEPUTIES JOBS AS POSSIBLE.

AN OFFICER WOULD BE ABLE TO TAKE OFF TIME IN THE FOLLOWING MANNER:

1. ONE DAY A WEEK FOR X NUMBER OF WEEKS (I.E.- FRIDAY OFF FOR 21 WEEKS WOULD EQUAL 3 WEEKS OFF.)
2. ONE WEEK AT A TIME
3. TWO WEEKS AT A TIME
4. MORE THAN TWO WEEKS AT A TIME, IF SENIORITY AND INSURANCE ARE CONTINUED.

AT THIS TIME WE JUST NEED TO KNOW THE TOTAL NUMBER OF WEEKS YOU WILL FIRMLY COMMIT TO TAKING OFF. SCHEDULING OF THE TIME OFF WILL BE DONE LATER.

NAME	WEEKS
1 LAMBERT	3
2 L JACOBS	2
3 W HATE	2
4 L. Weatherman	2
5 C. Hopper	2
6 J. Reed	2
7 McMeeKin	2
8 W Frojem	2
9 BRANNIN	2
10 Starz	2 wks (10 days)
11 Albinich	2 wks
12 Ed Jacobs	2 wks (possibly more)
13. S. Keith	2 wks
14 Mark Jones	2 wks
15 Peterson	2 wks (10 days)

Appendix G (cont.)

16	M. MacDONALD	2 WKS
17	Falkes	1 wk
18	Jemison	1 wk
19	POITRELL; #19	2 WKS [10 DAYS] POSSIBLY MORE -
20	H. Reed	1 WK
21	M. LONG	3 wks
22	JACKSON	2 WKS
23	J. Moore	2 weeks w/days
24	Newton	2 WKS
25	TILMAN	1 WK
26	Brady	2 wks. (10 days)
27	Spanacino	+ 12 weeks Sept. 20 to Dec. 13 (Jan 15 to June 10)? weeks
28	Willumson	2
29	Flays	2 wks
30	LARANCO	1 WK.
31	Sobrepenna	2 wks (10 DAY)
32	Lewis	2 - WKS
33	Crouch	2 - wks
34	MUCHMORE	1 - WK
35	SMITH	2 WKS AND MORE - NAME IT, I'M EASY!
36	HAFFERMAN	8 WKS
37	STRINE	July, Aug, Sept. more if needed. (12)
38	Holgren	1-wk
39	Rafferty	2 wks
40	PARCELL	2 WKS
41	McDONALD	— 0
42	BALL	— 2 WKS
43	RENNAKER	— 2 WKS
44	MORMAN	— 2 WKS
45	WALLROD	— 4 WKS-31-

Appendix A

MEMO

DATE: May 7, 1982

TO: ~~Don Lagone~~
~~John DeVore~~
~~Dennis Long~~
~~Judy Deschamps~~
~~Jim Tolesal~~
~~Donald Meisoux~~
~~John Hart~~
~~Mike Curtis~~
~~David Clark~~
~~Joe Schmitt~~

*BCC
Hacks
Reed*

FROM: Kathy Greco

RE: Information sessions for employees facing layoff

The County is sponsoring two meetings to inform employees targeted for layoff about unemployment insurance and other benefits and programs available to them. These sessions will be held Tuesday, May 19, at 7:00 p.m. and Thursday, May 21, at 7:00 p.m. in the conference room at the 301 branch of the Missouri Federal Credit Union, 120 West Center.

Please encourage your employees who will be laid off to attend one of these meetings and provide them with the attached schedule. Employees who are scheduled for work during either of the meeting times should attend while on shift.

These sessions will provide information on the following topics:

Unemployment insurance -- Representatives of the Employment Service will be here now to discuss applying for benefits and the rules and regulations associated with the program. The Employment Service has also offered to conduct instruction for unemployment at the Courthouse at the end of June.

Job search -- Jennifer Carter from the Missouri Vocational Technical Center has offered to conduct classes in job-seeking techniques. Instruction would cover applications, resumes, interviews, skills inventory and job preference. Classes would be scheduled during the month of June, and employees would be allowed to attend during duty hours.

Career change seminar -- The State Professional Development Center will offer a seminar on changing careers for County employees on June 2.

Employee Assistance Program -- A representative from the EAP will explain counseling services available to County employees and the duration of those services after termination.

Aptitude testing -- The Employment Service currently offers a general aptitude test which is used to refer applicants to most of the County's larger employers. If there is sufficient interest here the Employment

Appendix H (cont.)

Service would offer the test at the Courthouse during work hours. An Employment Service representative will also explain other testing services available.

Computer training -- The County will be offering a variety of computer training courses during the month of June. These will be offered exclusively to employees targeted for layoff, and they will also be available during duty hours.

Fire fighting -- The State Department of Lands and the U.S. Forest Service will schedule a class in wildland fire containment for employees being terminated. This class will qualify people for service with fire fighting crews.

Personal finance -- If there is interest the County will arrange a class on restructuring, debt and other financial problems that may be encountered by families facing a layoff situation.

Retirement -- A representative of the Public Employees' Retirement System (PERS) will be in Missoula on Thursday, May 21, to offer information and to answer questions regarding retirement options. These sessions will be held at the City Council Chambers at 2:00 p.m. and at 2:30 p.m.

Packets

Apps

Eval.

Emp. history

Resume

Financial planning

Insurance

PERS

Recall

Appendix I

AGENDA

LAYOFF INFORMATION SESSION

TUESDAY, MAY 19, 2:00 P.M.

CONFERENCE ROOM, 126 WEST SPRUCE

- 2:00 -- Introductions
Kathy Crego, Director of Personnel and Labor Relations
- 2:10 -- Unemployment Insurance
Wally Sept, Job Service
Explanation of unemployment benefits, qualifications, application procedures, rules and regulations. The Job Service has offered to conduct registration for unemployment insurance at the Courthouse at the end of June.
- 2:45 -- Job Search Classes
Jennifer Carter, World of Work
Fred Frey, Job Club
The Missoula Vocational Technical Center and the Job Service offer courses in job-hunting techniques. Jennifer Carter and Fred Frey have offered to conduct a special series of these classes for County employees facing layoff. Instruction would include applications, resumes, interviews, skills inventory and job preference. Both a morning and an evening series are tentatively scheduled. Employees would be able to attend during duty hours.
- 3:15 -- Employee Assistance Program
Coe Dolven, EAP, St. Patrick's Hospital
Short-term counseling and referral services are currently available to County employees. These services may be extended beyond June 30 for employees facing layoff if there is an expressed interest or need for them.
- 3:30 -- Job Service Programs
Terri Perrigo, Missoula Job Service
An orientation to employment services offered by the Job Service. These include aptitude testing and placement services.
- 3:45 -- Personal Finance
Cal Murphy, Missoula Federal Credit Union
The Credit Union will offer classes or counseling sessions on restructuring debt and other financial issues facing households that will be affected by layoff.
- 4:00 -- Additional Programs
Kathy Crego
The County has scheduled an information meeting on retirement for May 21 and an all-day session on career change for June 2. Classes in fire fighting techniques and computer training are also in the works.

The formal presentations on the topics listed above will be kept to a minimum so that there will be plenty of opportunities for employees to ask questions. In addition the resource people have agreed to remain after the formal presentations to address any private or personal matters that employees may want to raise on an individual basis.

Appendix C

LAYOFF INFORMATION SESSIONS

WHEN: Tuesday, May 19, 2:00 - 5:00 p.m. and Thursday, May 21, 7:00 - 9:30 p.m.

WHERE: Conference Room, 126 West Spruce (Missoula Federal Credit Union)

Employees who are scheduled for work during these meetings may attend unile on shift. Please let your department head know which session you plan to attend. These sessions will provide information on the following topics:

UNEMPLOYMENT INSURANCE -- Representatives of the Job Service will explain how to go about applying for benefits and the rules and regulations associated with the program.

JOB SEARCH -- Jennifer Carter from the Missoula Vocational Technical Center and Fred Frey from the Job Service have offered to conduct classes in job-hunting techniques. Employees will be allowed to attend during duty hours.

CAREER CHANGE SEMINAR -- The State Professional Development Center will offer an all-day seminar on changing careers for County employees on June 2.

EMPLOYEE ASSISTANCE PROGRAM -- A representative from the EAP will explain counseling services available to County employees and the duration of those services after termination.

APTITUDE TESTING -- The Job Service offers a general aptitude test and placement service which are used to refer applicants to most of the County's larger employers. If there is sufficient interest here the Job Service will offer the test at the Courthouse during work hours.

COMPUTER TRAINING -- The County will offer a variety of computer training courses during the month of June.

FIRE FIGHTING -- The State Department of Lands and the U.S. Forest Service will schedule a class in wildland fire containment for employees being terminated. This class will qualify people for service with fire fighting crews.

PERSONAL FINANCE -- If there is interest the County will arrange a class on restructuring debt and other financial problems that may be encountered by families facing a layoff situation.

RETIREMENT -- A representative of the Public Employees' Retirement System (PERS) will be in Missoula on Thursday, May 21, to offer information and to answer questions regarding retirement options. These one-hour sessions will be held in the City Council Chambers at 2:00 p.m. and at 3:30 p.m.

By the end of this month the Personnel Office will provide you with an information folder which will include your original application for employment with the County, copies of your last two evaluations, employment histories, information on continuing insurance coverage, tips on preparing a resume, policies applicable to County employees on lay-off status and additional information on the training options listed above.

MISSOULA COUNTY
DEPARTMENT OF PERSONNEL AND LABOR RELATIONS
MISSOULA COUNTY COURTHOUSE, ROOM 160
MISSOULA, MONTANA 59802
TELEPHONE (406) 721-5700

NOTICE

THE COUNTY WILL BE OFFERING COMPUTER CLASSES IN
WORDPERFECT AND LOTUS DURING THE SECOND HALF OF JUNE.
ENROLLMENT FOR THESE CLASSES WILL BE LIMITED AND PREFERENCE
WILL BE GIVEN TO EMPLOYEES FACING LAY-OFF OR REDUCTION
IN HOURS. IF YOU WISH TO REGISTER PLEASE CONTACT MIKE
BARTON IN THE PERSONNEL OFFICE, EX. 299.

KATHY L. CREGO, Director, Personnel & Labor Relations