Holiday dilemma

Tough decisions for employers become tougher

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HIGH POINT —

As the holidays approached, workers at Wake Forest University Baptist Medical Center didn’t receive a greeting that filled them with the spirit of the season.

The medical center, one of the Triad’s major employers, announced major job cutbacks on the cusp of the holidays that symbolically started Thursday with Thanksgiving. Citing financial pressures, Wake Forest Baptist said it would eliminate 950 full-time equivalent positions by the end of June next year. The cutbacks could affect as many as 475 workers who would be laid off from their present jobs, the medical center indicated last week. The layoff of employees represents 3.5 percent of the medical center’s overall work force.

A spokesman for Wake Forest Baptist said the job cutback announcements weren’t timed to coincide with the holiday season.

“This process began in early spring, and to make that connection would be inaccurate,” said Chad Campbell, senior manager of regional and local news with the medical center.

Still, 76 Wake Forest Baptist employees were scheduled to lose their jobs effective last week. The first employees affected will continue to receive full pay and benefits through Jan. 4, according to the medical center.

In the recent past, other employers in the Piedmont have made layoff announcements or cut their work force leading into the holidays. The dilemma of whether to announce or not reveal job cutbacks during the holiday season poses a potentially no-win situation for employers.

If employers announce layoffs heading into holidays, they can deflate the morale of their work force and run the risk of being held up to public criticism. But if employers wait and inform workers about layoffs after Christmas, not wanting to ruin their holiday cheer, employees can run up substantial credit card debts for gift purchases and then face not having a job in the new year.

“It’s kind of a double-edged sword,” said Gerald Fox, associate professor of economics at High Point University. “You don’t want to ruin someone’s holiday. On the other hand, if they go out and spend a bunch of money, then don’t have income, that hurts as well.”

One reason for the dilemma stems from employers whose fiscal year coincides with the calendar year, meaning that decisions on cutting expenses may have to take place in the holiday season to resolve budgets by Dec. 31.

Whether a layoff is announced during the holidays or another time of year isn’t as important as treating workers losing their jobs with respect and decency, said David Noer, professor emeritus
of business at Elon University and a consultant on downsizing. “The research is clear that you need to tell them as soon as you can, as much in advance as possible,” said Noer, author of the book “Healing the Wounds” on how businesses should cope after work-force reductions. “If you know there’s going to be a layoff in January, and you come to that conclusion in July, you ought to tell them in July. If you give them a sense of control, they can handle almost anything. The control in terms of layoffs is knowing as much in advance as possible.”

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