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## When having to leave is a “Good Thing”: A case for positive involuntary turnover

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Persistent economic pressures in today’s business landscape require organizations to be constantly vigilant about managing costs. Reducing headcount is one common but often controversial form of cost cutting. Recently Hewlett-Packard announced that it would be cutting an additional 11,000–16,000 jobs on top of an original plan to let as many as 34,000 workers go as part of a business restructuring and turnaround strategy. Chief Executive Officer (CEO) Meg Whitman said major shifts that are transforming how technology is paid for and consumed pose major challenges for HP, along with its competitors. To be successful in this new reality, she emphasized that HP needs to be lower-cost and more nimble. This is just one of a long list of examples of significant corporate workforce reductions in the face of mounting financial and competitive challenges faced by businesses across many industries.

Involuntary turnover is usually a painful subject for all parties involved – notably the terminated employees, their managers, and remaining coworkers. The prevailing view is that involuntary turnover is a negative experience for employees, imposing on them financial hardship, stress, stunted career progression, and diminished self-esteem. Mass reductions in force (RIFs) are also disruptive for organizations because they lose talent to competitors, damage their reputations with employees and communities, and experience reduced productivity by surviving employees from the associated stress. Trust and loyalty in the employee–employer relationship are often severely compromised. Unfortunately, sometimes organizations have little choice. They either must reduce their workforce or watch the entire enterprise fail and take *all* of the company’s jobs along with it.

Although downsizing often yields adverse effects, evidence from actual organizational practices and events reveals that lifelong employment and seemingly virtuous corporate philosophies preserving jobs at all costs are not always beneficial to employees or employers. In fact,

beneficial outcomes are possible if employers implement practices that promote employees’ personal and career growth opportunities or bolster job fit while downsizing. State-of-the-art outplacement and other job transition practices can improve involuntary turnover outcomes in ways that can benefit both affected employees and their employers. In this article, we explain why this is possible, how it can be accomplished, and cite notable case examples to support our arguments. We offer a positive perspective for both employees and employers, which we term “Positive Involuntary Turnover” (PIT). Our PIT view highlights overlooked opportunities for individuals and organizations that help overcome common pitfalls and enable both to flourish. To illustrate PIT, we draw on recent theory and research on job-embeddedness and best practices from a variety of multinational companies.

### ON THE BRIGHT SIDE—MOVING TOWARD POSITIVE INVOLUNTARY TURNOVER

It is not surprising that the way downsizing is handled has a major affect on those who leave the organization, those who stay, and the organization itself. Slash and burn layoffs with little or no regard for affected employees can cause damage to a firm’s capacity to perform and even long term viability. On the other hand, well-managed and caring employee reduction strategies can go a long way toward producing very different, more positive outcomes. For example, during a 10 percent reduction of its workforce, eBay allowed departing employees to remain in the company as many as four weeks. This allowed them to say their farewells to co-workers and to address personal matters before they left. Further, five months of severance was paid to all employees in the U.S., along with provision of between one and three months of outplacement assistance and four months of health care.

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These kinds of PIT-supportive practices can ease the transition for those leaving and reassure those staying that the organization will treat its employees with care and consideration, even during difficult circumstances.

Yet focus on only how to foster a positive process when employees leave may not be enough to fully grasp how to optimally manage adjustments to the size of a workforce and promote PIT. It is also helpful to know why employees stay. In fact, our perspective on positive involuntary turnover draws on recent theorizing about job embeddedness—or why employees stay (rather than leave) in jobs. Unlike the traditional focus on turnover, this new school of thought claims that the reasons why people stay are not necessarily the same as those for why they leave. Affirming such views, a growing body of evidence reveals that conventional turnover causes, such as job dissatisfaction and job opportunities, inadequately account for why employees stay. Rather, these studies report that people stay because they fit the job or community, have ample work and non-work ties, or because leaving would require them to surrender valued job or community amenities (e.g., pension plan, good weather). Indeed, such embedding forces inspire not only greater job loyalty but also higher performance and organizational citizenship. Given such findings, management authors increasingly recommend that firms foster a more stable and productive workforce by promoting forces for staying rather than preventing forces for leaving. There are nevertheless many potential challenges to avoid, especially related to the pursuit of positive involuntary turnover.

## PIT FALLS TO AVOID

Despite the appeal of this novel, more positive and constructive approach for retaining employees, critics of job embeddedness also highlight its potential dark side—“dysfunctional retention.” This has many forms and relates to employees who (must) stay in a job but would prefer to work elsewhere. They may become “involuntary stayers” and stay in a job they dislike because they cannot find other employment, find it too costly to quit (as they would give up valued perks or community amenities, such as affordable housing), or stay for their families’ sake (e.g., leaving might disrupt a spouse’s career or child’s education). Recent research finds that employees who are overly embedded at work may lose motivation to cultivate social capital (e.g., network ties) that enhances their effectiveness, or may sacrifice time with their families simply because their job demands significant hours and/or travel. Current perspectives about various types of stayers further suggest that employees who poorly fit their jobs (“misfits”), but stay to maintain job perks, often exhibit negative job attitudes and counterproductive behaviors. More generally, over-embeddedness or involuntary embeddedness can yield undesirable and even dysfunctional outcomes for both employees (and their families) and employers.

The following are a few of the characteristics that describe *involuntary* but dysfunctional stayers, and they represent what we call “PIT Falls” that employers need to avoid inadvertently creating and/or manage more effectively:

1. “*Job Sleepwalking*,” resulting from employees staying for a paycheck rather than commitment to the job. These employees stay because they cannot find better employment elsewhere, or other opportunities may not pay as well and require them to work much harder. They put in what is minimally required but no more. They are not stellar contributors or corporate citizens (e.g., they do not volunteer for duties outside their official job descriptions nor suggest innovative ways to improve organizational processes). They also may engage in counterproductive work behaviors, such as stealing, committing fraud, or undermining coworkers.
2. “*Job Misfit*,” resulting from poor fit between what employees value (e.g., work autonomy, personally meaningful tasks) and what they receive from the job. Such misfits must stay because it is too costly to quit; they would lose valued perks (e.g., pensions) or community amenities (e.g., safe neighborhoods). Or, it is possible their families or significant others would suffer if they quit (e.g., the family would lose its health care coverage) or relocate (e.g., disrupt partners’ business, kids would have to leave their friends and change schools). Employees characterized by job misfit may perform only satisfactorily enough to avoid losing their job and its assorted benefits for them or their families. They may feel little job satisfaction or even feel job dissatisfaction. Their tendency is to stay as long as necessary—until they find a better job or their family can move (e.g., spouses can find other employment, teenagers graduate high school). Thus, these same employees may constantly be on the lookout for other jobs and eventually leave when they are able.
3. “*Job Stagnancy*” occurs when employees lose interest in personal development on a job they don’t care about. For such stayers, they have the skill, knowledge, and abilities to meet—or even *exceed*—their current job requirements. Yet they are stagnating due to a lack of challenges that more intensively engage them. Though they may perform satisfactorily, their frustrations can mount over time and erode their attitudes and effectiveness. They may start looking for a more challenging job elsewhere and may leave if the barriers to their leaving end (e.g., spouse retires, savings and investments reach a certain threshold, receive an offer for a more appealing job).
4. “*Job Imprisonment*” stems from having a desire to leave for other types of employment, careers, or avocations but not being able to find viable alternatives. This is a form of misfit that arises from vocational rather than job misfit. Whereas job misfit can be remedied by changing features of a job (e.g., greater responsibility and challenge), a vocational mismatch occurs when the entire spectrum of jobs represented in a vocation fit poorly. For example, a new college graduate may choose a job simply to pay bills, but often such jobs are not part of their larger career plans or training (e.g., aspiring novelists manage bookstores). They stay because job prospects in their fields are currently poor or they must accumulate sufficient experience, skill, or financial resources before leaving (e.g., amass enough funds to move to Hollywood to pursue acting careers).

Alternatively, vocational aspirations of veteran employees may change over time due to shifts in their life stage (e.g., nearing retirement) or some personal crisis (e.g., spouse becomes incapacitated by stroke and requires family care). Often "mortality cues"—that is, personal or vicarious events that remind people of their mortality, such as heart attacks or deaths of college classmates—may induce employees to reconsider their current line of work and seek more "fulfilling" employment elsewhere. They may stay until they can afford to move (or until family circumstances permit) onto another vocation or avocation (e.g., volunteer work at the local zoo).

These types of involuntary stayers are "waiting" to leave and thus are unlikely to stay in their current jobs long-term. They are not necessarily dissatisfied with their jobs but long for more satisfying alternatives elsewhere. They can be satisfactory—if not good—employees and are unlikely to engage in negative actions toward the firm.

5. "Wrong-Job Stress" may result from doing work that employees can no longer perform effectively. Employees may end up in this predicament when changes occur causing them to no longer have the capacities to perform their job adequately. New business demands, technological developments, and other workplace changes may create new or greater job requirements that exceed employees' current capabilities. To illustrate, business faculty may have trouble teaching classes comprised of more international students (who prefer different pedagogy than American students) or incorporating new technology into their courses (e.g., online teaching, using social media to engage students).

These involuntary stayers may remain in their jobs for the same reasons that entrap others, yet their performance is declining. Nevertheless, the length of their stay can be limited if they lose their job because they don't improve their performance or obtain more skills. Such stayers are generally satisfied with their work and tend to be good performers (at least in the past prior to the recent challenging changes). They also may be good organizational citizens (e.g., help colleagues, support organizational initiatives) and are unlikely to engage in counterproductive work behaviors (e.g., excessive absences, shirking duties). Yet recent performance declines may increase their work stress, which can become even more problematic, especially when sanctions occur, if they cannot improve their performance.

The good news is that current research and practice also provide constructive ways to lower dysfunctional retention by encouraging and helping employees find gainful and satisfying employment elsewhere. Such outcomes are even more likely if employers enact supportive policies and practices. These are foundational to our PIT approach and are discussed next.

## PIT ENABLERS: THE KEY TO POSITIVE INVOLUNTARY TURNOVER

The premise of PIT is that managing turnover well can mutually benefit both employers and employees. We argue that PIT is a constructive aspect of effective human resource

management and we support this argument with a description of several PIT best practices. Underlying these practices is a genuine belief that terminated employees can find other opportunities, better fit, and higher satisfaction in job situations that are more suited to their authentic needs and interests. Some key features of the effective application of PIT are what we call "PIT Enablers" and include:

1. *Practice Openness and Transparency.* Openness about what cuts were made, why, and on what basis can mitigate hostile employee reactions and may even foster positive responses. This contrasts with sweeping bad news under the rug or pretending it is not happening and that cuts won't have a dramatic effect. As noted, job loss is commonly viewed as a negative outcome. However, justice research and management experience consistently show that how fairly layoff decisions are made matters. This means employees who are directly and indirectly affected by job cuts will respond more favorably to bad outcomes (job loss) if those outcomes are the result of fair processes. It also means that given the inevitable bad outcome of job cuts, it is important that managers and employers assure a fair process by communicating candidly and transparently and even involving employees in the choice of reduction criteria. Doing so can limit damage to reputations, mitigate litigation risk, and reduce anxiety and unwanted additional voluntary turnover from those that remain.

For example, during the Great Recession, Zappos.com had to cut eight percent of its workforce to align costs with contracting revenues. Of course this action was a last resort for CEO Tony Hsieh, whose company is a perennial member of *Fortune's* 100 Best Companies to Work For list. Hsieh and his management team were transparent with employees and explained who would be cut, the underlying rationale, and which benefits would continue and for how long. This was done internally first, with care and compassion for departing and remaining employees, before releasing the same information to customers and the press. Zappos' transparency and openness paid dividends over time, as downsized employees were more understanding and goodwill was preserved with many internal (surviving employees) and external stakeholders (customers and future employees).

Procter & Gamble realized similar benefits when closing plants. Transparency and openness allowed them to mitigate productivity losses and voluntary turnover by remaining employees, while at the same time limiting the amount of lost sales in the communities surrounding the closed plants.

2. *Differentiate Stayer and Leaver Types.* Although business consultants are now assessing the level of job embeddedness for client firms, few—to our knowledge—have undertaken steps to assess the proportion of the workforce representing various types of stayers and leavers. As an example, we recently surveyed a national sample of workers and a city workforce and asked employees to self-categorize themselves into one of four categories:
  - (1) Reluctant stayers — Employees who want to leave but cannot leave.
  - (2) Reluctant leavers — Employees who want to stay but cannot stay.

- (3) Enthusiastic stayers – Employees who want to and can stay.
- (4) Enthusiastic leavers – Employees who want to and can leave.

Thus, employers can identify the different types of stayers (and leavers) who populate their workforces. In these particular samples, enthusiastic stayers dominated, representing 72 percent of the city workforce and 62 percent nationally. However, a sizeable proportion were reluctant (or involuntary) stayers: 12 percent of city employees and 19 percent of a national sample. Our research reveals that while this type of stayer may perform effectively on the job they may exhibit other limitations, such as lower organizational citizenship. Indeed, reluctant stayers are more like enthusiastic leavers in their actions than enthusiastic stayers. To illustrate, our national study shows that reluctant stayers perform worse than enthusiastic stayers and exhibit less organizational citizenship than even enthusiastic leavers. Such workforce diagnosis (including fine-grained identification of different types of involuntary stayers noted above) can help firms undertake more effective steps to manage this group, including counseling them to seek more suitable alternatives inside or outside the current workplace.

3. *Invest in Downsizing.* To enable positive involuntary turnover, we advocate that firms invest significant resources to create effective outplacement, training and development, severance and other support for employees when reducing the workforce. Organizations might offer such resources not only to employees they plan to release (e.g., reluctant leavers) but also to reluctant (or involuntary) stayers, such as job misfits or job stagnants. Assisting such reluctant stayers in leaving may help them find fulfillment elsewhere and allow firms to hire better fitting replacements (if not precluded by any ongoing downsizing) as well as offer promotional opportunities to others. Ford Motor Company, during its response and recovery from the most recent economic crisis, invested heavily in training employees. Many workers were given the choice to attend college or a vocational program for four years. Ford covered the tuition and provided half of employees' normal pay and full benefits during this time.
4. *Rely on Win/Win Innovation.* Almost always overlooked, creativity has a role in the turnover process and can be crucial to delivering benefits to both the company and affected employees. For instance, a small business owner in the mid-western United States routinely expanded and contracted employee headcount as it gained and lost accounts. The company had a real and obvious need to reconcile its revenues with its expenses as business grew and shrunk. Because labor costs were more than 90 percent of total costs, this service-based firm historically laid off all employees servicing a client business that failed to renew its contract. This changed, however, when the Great Recession hit the company hard due to its many automotive industry accounts. The company's management needed to reconcile income and expenses, but they also wanted to keep people employed, at least in

some capacity, rather than casting them into a truly horrible job market. Instead of following pure dollars-and-cents calculations, they opened the books to employees and asked them to generate potential solutions. The employees did just that. Work hours and staff were reallocated to effectively cut costs, while downgrading some employees to part-time status. None lost their jobs.

The Commercial Vehicle Group provides yet another excellent example. Given that cost cutting was the goal, and instead of simply shedding jobs, the CEO formulated a team of four employees and charged them with finding ways to cut \$50,000. They exceeded the challenge and found cuts amounting to \$600,000! Both examples show that those doing the work on the front line are often best situated to identify cost cuts.

5. *Act with Integrity and a Personal Touch.* Nobody likes to deliver bad news. But when people's livelihoods are involved, the responsible thing to do is communicate directly and face-to-face. Do not outsource to consultants or "insource" to human resources. Companies that practice PITenablers typically have an employee's direct supervisor, and perhaps one other person deliver the news. CEOs and other leaders should also be visible and do their part—meet with employees, explain rationale and processes, answer questions, and paint a view of the future. Of course HR can and arguably should play a role to be certain that managers are trained and otherwise prepared to deliver such news. Also, HR can help communicate what terminated and surviving employees should expect, such as severance terms, benefits, training, and details related to interviewing and relocation procedures (for employees who are going to be reallocated to other places in the organization).
6. *Help De-Embed from the Community.* Many things can be done to help affected employees (and families) with the *letting-go* process from communities. These include supporting moving costs, helping spouses find employment, locating comparable services (e.g., health care or children's schools), and assisting with house hunting. Going away ceremonies, when appropriate, are ways of showing gratitude and appreciation for past service, and when combined with other enablers, can facilitate the transition for both leavers and stayers. Retirement parties often serve a similar function. While managers are reluctant to celebrate downsizing, they still might (judiciously) recognize and appreciate employees who are about to leave.
7. *Improve Employability.* While uncommon in the United States, many companies in Europe invest extensively in developing employees' skills, experience, and abilities that will enhance their employability elsewhere. They do so by offering tuition assistance (to earn desired degrees), training, job transfers, or developmental opportunities (e.g., leadership experiences, overseas duty). Such practices may also contribute to the current organization's effectiveness, help attract new talent in the future, and enhance job engagement among employees as they prepare for a future job or career elsewhere. (The ING case example in the next section of this article highlights such practices.)
8. *Offer Buyouts, Severance Pay, or Early Retirement.* Efforts to mitigate or overcome the financial stress

of job cuts are helpful and effective PIT enablers. Many organizations, for instance, utilize furloughs or other means for reducing payroll expenses. The intent is to cut costs without actually reducing headcount. Ernst & Young of Hong Kong offered 30 days of unpaid leave, for which 90 percent of its auditors took advantage. This cut payroll by approximately 17 percent. However, if downsizing is necessary, voluntary incentives can encourage employees to freely go and thus avoid the resentment and counterproductive behaviors (e.g., sabotage, lawsuits) that often accompany involuntary terminations.

General Motors has used buy-outs and early retirement packages extensively. Responding to the Great Recession it offered billions of dollars of such packages to tens of thousands of employees. As an example, GM offered payments of \$60,000 to workers at more than a dozen factories to retire or sever ties with the company. More recently the company offered voluntary retirement for 6000 workers in South Korea. This is in response to the strategic decision to stop selling the Chevy brand in Europe, and Korea is where these cars are made. The intent of these actions is to cut costs, particularly in the long run, while at the same time making employees better off than they would be if simply terminated/laid off.

## SOME ORGANIZATIONAL BEST PRACTICES OF PIT

The enablers described above are reinforced with tried and proven policies and practices from prominent multinational companies. Beyond the examples we have offered thus far, we will share three more in a bit more depth. It is important to realize that the organizations noted below have not pursued PIT simply to manage public relations or mitigate potential reduction-related litigation. Rather, they have genuinely assumed a measure of responsibility for their employees' well-being, even after they have left the organization. The following three cases—ING, Herman Miller and a "classic" example from Motorola—illustrate effective applications of Positive Involuntary Turnover.

### ING

Based in the Netherlands, ING is one of the world's largest financial institutions. It offers a full suite of products and services related to banking, investments, life insurance, and retirement. The financial crisis and Great Recession of 2008–2009 created tremendous challenges for the company's Dutch and global operations. Part of the company's response has been multiple waves of employee reductions, often thousands at a time. However, ING has taken a different approach than most similarly situated multinational companies. While many of its competitors, such as AIG, simply cut tens of thousands of employees, ING set a goal for all ING personnel to have "lifetime employability"—enabling employees to develop and manage their own career (including seeking opportunities outside ING) to keep pace with changing skill requirements. ING employees and managers work toward this goal together, with the support of the wide

range of employability tools available to them. Some key elements to this approach are illustrative of PIT Enablers:

*Integrity and Personal Touch.* Employees are notified well in advance of job cuts and affected employees, who are then eligible to use the company's vast employability resources. ING managers have direct and significant roles and responsibilities in cultivating re-employment both within and outside of ING when large scale cuts are made. The organization trains managers to fulfill these roles and responsibilities. Managers are thus expected to coach and otherwise be accountable for their employees' employability. Arguably, over time these mentoring skills and experiences make managers more effective at their jobs.

*Investing in Downsizing.* Opportunities and training for reassignment within ING are identified and begun, immediately, for potentially displaced employees. When internal opportunities do not clearly exist, career counseling and necessary training are provided to realize opportunities external to ING. Managers also are trained to handle these more intensive and prolonged demands.

*Openness and Transparency.* ING not only discloses more information related to potential cuts than other multinational insurance companies, but it also does so well in advance. This contrasts starkly with what many companies do when they withhold information and action plans until the last possible minute, which results in changes being "sprung" on employees. Instead, ING openly shares potential cuts and job implications willingly and well before actual changes are implemented. To elaborate further, ING doesn't simply make a press release of impending changes, but it publishes and distributes a document called the Social Plan, sometimes years before the organizational changes and job cuts, that outlines precisely how job cuts (redundancies) will be determined, the options for employees, as well as ING's responsibilities and resources it provides. The result is greatly reduced employee change-related uncertainty and anxiety. This openness and transparency also supports the often significant investments ING makes in the employability of its people.

*Invest in Employability.* Once jobs and employees are selected for cuts, ING then identifies potential internal opportunities (reassignments or relocations). If such internal opportunities do not exist, they help employees find gainful—similar or better—employment outside of the company. This is not run-of-the-mill outplacement, but rather intensive vocational counseling that is often accompanied by training, education, and even internships. Whether placed internally or externally, the goal is to find each terminated employee similar or better employment. While investing such resources (time, money, and people) in employees who are leaving the organization may seem counterintuitive to employees and employers outside of Europe, these practices yield many benefits in the short and long term. For instance, terminated employees are likely to leave on more positive terms, which can be a tremendous benefit if they also are a source of future (rehire) talent. This also reduces the common and often tremendous anxiety for surviving workers who may be concerned that their job is "next," and the associated decreased job engagement, lost productivity, as well as dysfunctional and costly voluntary turnover of key employees. (Macroeconomic and policy implications also exist but are beyond the scope of this paper.)

## Herman Miller

This leading manufacturer in the business furniture industry has consistently demonstrated a progressive stance toward their workforce, earning recognition as one of the “best places to work” and “most admired” companies. It is less known that HM has needed to resort to downsizing as part of its overall HRM and that it has relied on PIT Enablers to positively manage turnover. As one prominent example, after the dotcom meltdown and the economic plunge following the 9/11 attacks, the resulting financial difficulties for HM necessitated significant cutbacks. The company responded by carefully considering all its valuable human resources both inside and outside the firm, but with the recognition that some members may not fit with the company’s emerging long-term needs or plans. Then CEO, Mike Volkema, remembered, “In 1995, when I took over, sales were under \$1 billion. By 2000, they were \$2.2 billion. By 2003, they were down to \$1.3 billion. One night I went to bed a genius and woke up the town idiot. It was not a happy time to be in leadership . . . “Ultimately, we had to tell 4500 of our 12,000 employees that we no longer had work for them.” HM utilized a number of PIT Enablers as described below:

*Openness and Transparency & Personal Upfront Tone.* CEO Mike Volkema and Brian Walker, who was president of Herman Miller North America, chose transparency, honesty, and directness in how they handled it. They made it a point to deliver the worst news themselves, including closing an entire plant in Georgia. After they made the announcement in person, to their surprise, many workers expressed their concern for Volkema and Walker rather than dwelling on their own loss. Walker put it this way, “I can’t think of anything that would rip your heart out more than for these people, who you had just laid off, to tell you that they hoped you’d be okay.”

*Investing in Downsizing.* The company went to great effort to handle the layoffs as humanely as possible and invested significant resources in the effort. Volkema recalled, “We really worked hard to live our values in the midst of that trial . . . we spent tens of millions of dollars more than our competitor to help transition people, when we didn’t have enough work for everybody, to other opportunities.” Each employee was told the news face to face that they were losing their jobs by somebody they knew. The whole approach allowed Herman Miller and its employees to draw on years of commitment to one another. A former assistant to Volkema at Meridian Furniture Company before Herman Miller acquired the company in 1990 was one of those who lost her job. Afterwards, she wrote that her experience at Herman Miller was “nothing but great, and I didn’t have a college education, and I didn’t have the M.B.A. I now hold . . . so I walk away knowing that I’ve got lots of opportunities in front of me to pursue.” Reflecting on his former assistant’s case and on what can happen when involuntary turnover is handled humanely and constructively, Volkema commented “even in the worst of circumstances, when a job gets eliminated, that somebody goes away holding their head high.”

## Motorola: A Classic “PIT” Case

In 1974, the semiconductor operations of Motorola laid off approximately 40% of its workers in the greater Phoenix area.

Unfortunately this action occurred in several waves in which certain cuts were announced but then determined to be insufficient so that additional cuts (affecting those who thought they had survived) had to be implemented. This had a devastating effect on not only the workforce but also the surrounding communities that relied heavily on this major employer. Restaurants, retail outlets, car dealerships, and even charities that found fewer contributors, were all adversely affected. These layoffs also had a significant impact on the many smaller businesses in the area that supplied Motorola.

The remaining management determined that they needed to explore alternative approaches to workforce reductions. Over the succeeding years, senior management including the Human Resources leadership explored several different PIT Enablers to minimize the impact of reductions on the organization, departing and remaining employees, and the larger community. Creative examples of how Motorola facilitated positive turnover included:

*Openness and Transparency & Win/Win Innovation.* In an attempt to keep the workforce and its skills intact in their Arizona operations, the company worked in concert with other major employers and the Arizona legislature to revise unemployment compensation rules. This allowed for daily unemployment compensation for individuals who worked non-scheduled for part of their workweek. Meanwhile Motorola was able to reduce its volume by 20 percent increments while allowing affected employees to receive unemployment checks to partially offset the reduction in pay. While these checks were less than a day’s earnings, when combined with savings in commuting and, in many cases, childcare costs, it was meaningful. Used sparingly and communicated well, this promoted a sense of camaraderie among employees as they saw and appreciated that the company was trying to protect their jobs and income. On the other hand, complacency did not set in—it was recognized that if the reductions became prolonged, the more senior workers would become disgruntled with the loss of pay (realizing their seniority would, for the most part, protect them in a traditional layoff) and excellent employees with highly marketable skills would begin to seek other employment (potentially leaving behind relatively less desirable employees in the firm).

*Win/Win Innovation.* Another approach Motorola used to protect its skilled workforce in manufacturing was to fill up to 20 percent of line operator jobs with temporary workers on a six-month contract. This created a “buffer” of employees who could be released on 24-h notice. After six months, these employees could be converted to regular employment, offered an additional six months, or released, thereby adding further flexibility.

*Investing in Downsizing.* In subsequent industry downturns, the company used Voluntary Severance Programs and outplacement to reduce the number of disengaged Involuntary Stayers.

It is worth noting that middle managers who personally implemented and survived the disastrous reductions in 1974 became senior decision makers in subsequent industry downturns in the 1980s and 1990s. They approached new economic challenges with a determination to continue to innovate and find ever-increasingly effective workforce adjustment strategies.

## CONCLUSIONS AND CAUTIONARY REMARKS

In this article, we offered a more positive view regarding the often necessary and difficult challenges associated with involuntary turnover. We provided some practical guidance to help executives and managers achieve Positive Involuntary Turnover. These include both important PIT Enablers to emphasize and PIT Falls to avoid. Both are increasingly relevant, given the greater frequency of “involuntary stayers” who may become stagnant, experience undue stress, and feel imprisoned in a job that no longer fits, due to job and career challenges caused by persistent economic and competitive pressures.

We end with an important caution and point of clarification. Positive Involuntary Turnover (PIT) does not include

creating an illusion of caring for employees during layoffs. PIT instead provides employers practical guidance based on the approaches of key organizational role models (best practice companies) for effectively instilling compassion in one of the most difficult and common organizational activities—terminating employees. Openness, authentic communication, and a willingness to make a significant investment in PIT is essential for establishing the trust and potential mutually beneficial effects that result from a well-managed positive involuntary turnover process.



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Information on progressive organization and leadership practices consistent with the cases and prescriptions suggested in this article can be found in the book written by C.L. Pearce, C.C. Manz, & H.P. Sims, Jr., *Share, Don't Take the Lead* (Charlotte, NC: Information Age Publishing, 2014). For more information on the distinct organizational practices of Herman Miller see C.C. Manz, K.P. Manz, S.B. Adams, & F. Shipper, "Sustainable Performance with Values-based Shared Leadership: A Case Study of a Virtuous Organization," *Canadian Journal of Administrative Sciences*, 2011, 28, 284–296. Finally, for recent suggestions on ways to address downsizing as well as its alternatives see W. Cascio "Employment Downsizing and Its Alternatives," *SHRM Foundation*, May 27, 2014; and W. Cascio, "Use and Management of Downsizing as Corporate Strategy," *SHRM Foundation Executive Briefing*, May 27, 2014.

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