Why Executives Won't Talk with Their People

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ABSTRACT. Three years ago Robert Saltonstall, Jr., Associate Vice President for Operations at Harvard University, faced an increasingly common problem in business and institutions today when he severed 68 long-service, wage employees to solve a problem of low productivity in a particular trade group. He did this using relatively conventional and creative techniques. But now three years later, he asked Nona Lyons of the Harvard Graduate School of Education, who is researching the ethical dimensions of executives' decisions, to assist him in evaluating how these employees felt about the process. The employees' loyalty in spite of everything has caused Saltonstall to rethink the ethics of both his decision and its execution. In this article Saltonstall asks and answers many of the questions executives face when challenged to handle work reduction decisions in a more ethical way. And Lyons assists him with commentary on some of the current research on moral decision-making which will help executives to understand why they find some of their decisions to be moral dilemmas. The article challenges executives to think about reorganization decisions in a participative way and suggests seven central issues executives should consider before commencing a participative approach. The article reaches no specific conclusion, but introduces some new ways to think about lay-off decisions and their ethical implications for those affected.

Nona Lyons is a Lecturer at the Harvard Graduate School of Education. Her research interests link moral and developmental psychology with education. A former school administrator, Lyons returned to graduate study in a mid-career professional change. Her doctoral research involved developing a methodology that made possible the first systematic identification of two moral considerations in peoples' thinking about their real-life moral conflicts, that is, traditional considerations of justice and more recently revealed considerations of care. In 1987, Lyons was awarded a Spencer Fellowship to explore and document how teachers come to change their practices as well as the values dimensions of their work. In all, Lyons has been concerned to connect research with new ways to think about the education of professionals.

Robert Saltonstall, Jr. is currently Associate Dean for Harvard Medical School Operations. From June, 1981 to November, 1987 he was Associate Vice President of Operations for Harvard University. In that capacity he handled the subject matter for this article. Prior to his university work Saltonstall served in the commercial sector as General Manager of a resort, and President of a boat manufacturing company. He also held various manufacturing positions in the packaged food industry. He holds an MBA from Harvard (1964) and an A.B. in math from Brown (1957).

Introduction

> "GM says 1,300 workers at new plant to lose jobs"
> "Firm (John Hancock) sets new staff reduction plan"

In recent years, the local press broadcasts frequent news of organizational change, mergers and aquisitions, plant closings, geographic moves, changes in organizational direction, all with the potential to affect the lives of many employees. Similarly company newsletters report the same things, but on a more localized basis. These announcements are usually preceeded by extensive rumors within the organization whose message to employees is frequently worse than the announcement itself.

Seldom do these announcements include any reference to employee participation in the decision, and most executives acknowledge that seldom are those most affected included in the decision-making process. Yet if managers today take seriously the edicts of the new management literature – of Peters and Waterman, Naisbeth, or the principles of Japanese management – they should be talking with their staffs, specifically with the people directly affected. But steadfastly executives do not. Why

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don't executives talk with their people? This article will take a specific example and use it to develop several hypothesis that will help to answer this question.

Three years ago, in my responsibility as Associate Vice President for Operations at Harvard University, I faced a situation which resulted in a reduction in force. I dealt with it in what I believed was a creatively conventional way. But I have wondered since how those directly affected felt about my solution and its execution. Recently, I decided to review that decision with Nona Lyons at the Harvard Graduate School of Education who has been doing research on the ethical dimensions of the decisions executives make. The outcome of this research coupled with Lyons' critique of my decisions has led me to new perceptions of just how ethical issues are implicated in staff-related decision-making. After describing the situation and the follow-up research Lyons accomplished, this article will use the research conclusions to justify a more ethical way to handle reorganization decisions and then raise the challenges I visualize some executives will face who want to proceed as suggested. Lyons then will close the article by relating some of the issues to her work in the theory of ethical decision-making, to offer an analysis and interpretation which helps to explain why these decisions are difficult ones for executives to make.

The need to reorganize

The situation I faced was typical: poor quality, low productivity, high cost, and very high customer dissatisfaction with a maintenance trade group Harvard refers to as its "structural trades." While these same criticisms were leveled at the whole 350 employee department, they were especially focused on this 68 employee sub-group. To deal with the bigger issues I had initiated reorganization within the whole department, but I felt a particular need to force results from this one sub-group. I also realized this sub-group provided an opportunity to quickly establish recognizable progress for my total plan. After some discussion among management of the issues, I decided to seek major change and preferably elimination of this sub-group of employees. Though I knew that 59% of the group was over 50 years old, and that 44% had more than 15 years service with Harvard and a percentage minority, my sensitivity to these issues was to incorporate them into a "creative" plan of execution, not to let them influence my decision for action.

Harvard's Director of Administration and Labor Relations discussed all this with Harvard's unions and realized there was an opportunity to move all 68 people off Harvard's payroll without union opposition. Of course, I gathered management support to do just this. The solution hinged on transferring certain services to a unionized outside contractor, and simultaneously allowing the employees to depart Harvard with significant severance, to retire early with attractive terms, or become re-employed with the contractor under a similar union agreement. My efforts coupled with those of our Director of Administration and Labor Relations focused on realizing this opportunity "fairly", which to us meant without significant complaints from the unions, the employees, or our own management. We worked hard with our unions to develop a scheme which recognized age, seniority, and minority rights, plus the disruption of life-style, and I remain proud of the choices we offered to those affected. During this time we disregarded whatever rumors existed and only talked to the employees involved through their union until after the severance program was announced. Once announced I did personally go to meetings of those affected to discuss the issues and outcomes, but frankly I went much more to sell our severance program than to listen to employee reactions or ideas about how Harvard could accomplish the same change another way. The severance program proceeded on schedule and successfully and was followed by the further severance of fifteen management and clerical personnel such that worker: overhead ratios were improved.

Now three years later, Harvard and I are sure our actions were successful. The issues of poor quality, low productivity, high cost and high customer dissatisfaction are mostly behind us. Organizationally we are better off. We know we saved enough money to pay-back our severance checks in less than two years, and we know the savings continue. We are pleased we made this change.

I hypothesize my actions were typical of the approach many executives would take in a similar situation, and I'm struck that even John Le Carre in his mystery novels points out metaphorically that it is the nature of organizations to elevate their missions and tasks over individual needs and values. Never did I question what to do, though I did go to considerable effort to be sensitive in executing the decision. And not until most of the decisions were made was I willing to talk personally to those directly affected. Effectively I offered them little opportunity to influence me. For many executives that would be the end of such an issue, because most will rush on to the next major decision, but something has nagged at me on this one — I've been wanting to know how those employees felt. I wanted to add a dimension to the corporate definition of "ethic". For me ethic was more than what I could get away with and more than what Harvard University would allow. My ethic needed to include employee acceptance of the change on *their* standards.

Our research

I'm not sure why the specifics of this issue confronted me except I keep reading news clips of how corporations are handling somewhat similar matters of severance. I read about age, length of service, and minorities connected with these matters. I detect a national need to know more about the human outcome of these issues. But I never read about how the employees affected feel and whether management decisions could be made differently to improve how they feel. What are the implications of management's decisions for the people involved? And yes, I suppose I wanted my ex-employees to tell me I handled their situation as well as anyone could or at least well enough so that with some adaptation the next time it would be judged well done. This led me to collaborate with Nona Lyons during the summer of 1986 to accomplish a telephone survey of these employees. We wanted to focus less on the facts of the situation, much more on the employees' feelings about it and their judgment of the ethics surrounding the whole matter. The method of the research Lyons conducted through a telephone survey of the employees is described in Appendix A.

What interested Lyons after talking on the phone with 56% (38 of 68) of the employees involved fit three categories:

First, many employees distinguished clearly between the action and its execution. 61% felt Harvard was ethically "not right" to do what it did, but 50% felt Harvard executed the decision "fairly". And 53% feel "positively" about their situation today.

Employee comments on the decision to sever and the process of execution included:

- Harvard wanted to divest itself of its responsibilities. I thought it was illegal.
- No, I did not think (it was right). They did what was best, but not the BEST.
- Harvard should not have (gotten rid of us). Harvard should have taken care of us. They should have respected me better.
- They were fair. I would say they were ethical.
- Yes, they felt they were doing right. I had no control over it.
- Since Harvard wanted more change, it was right. Everybody got a good deal. I suppose it benefits Harvard now.
- It was not ethically right, but the whole transition was excellent. They did it very nicely.
- Was it ethical? That's a good question. I can't say. Harvard doesn't make too many unethical moves. They thought it out very well. They bent over backwards to do things fairly.

At first glance these comments seem almost paradoxical. Lyons was intrigued that judging their former employer, Harvard University, the structural employees saw the decision that resulted in their termination and changeover to be simultaneously fair, but unethical. While their evaluation at once points to issues that give general concern to executives like me, they also illuminate a set of ideas about the ethical dimensions of executives' decisions that have not yet been very well articulated.

Lyons notes that a traditional and dominant model of moral psychology defines morality as justice and would predict that the moral conflicts people see and construct in their own lives center on issues of rights and fairness — issues of conflicting claims between people (Kohlberg, 1969, 1983). I addressed many of these issues in my severance package, and the individuals looked to traditional objective principles to evaluate them as a "fair" solution. But Lyons goes on to point out that research initiated by Harvard psychologist Carol Gilligan (1977, 1982) identifies that, in addition to rights and fairness, people resolve moral conflict also by considering issues involving maintaining their relationships and connections to others and making sure that those in a relationship are taken care of, not excluded or hurt. Under these standards, people are likely to want to understand the particular contexts of the individuals involved and to eschew objectivity as they seek a solution which will restore relationships. Gilligan's work has challenged the field of moral psychology to expand its conception to include both justice and what she calls responsibility in relationships. Lyons' own work in testing Gilligan's hypotheses and, more recently, in examining the conflicts of managers, has led her to bring these distinctions into sharper focus and to call them relationships of justice, reciprocity or contract and relationships of interdependence or negotiation (see Table I).

Lyons illustrates the connection in this case from the findings of her research and offers an interpretation. For the central issue raised here the clear distinction has been made by the workers between what they considered was fair and what was ethical. This finding goes to the heart of the issues discussed and emphasizes the link between the different conceptions of relationships and ethical concerns. Concerning the relationship of reciprocity (justice), the men concluded Harvard had acted fairly. But in making the distinction between what was fair and what was ethical, the men activated the relationship of interdependence commenting on the ethical dimensions of their situation and on their sense of the relationships they had with their managers and their institution. In the relationships of justice Harvard acted fairly and ethically; the men recognized that. But within their other connection to Harvard – in their interdependence – they saw themselves as wronged. Over and over the workers commented on this and in doing so frequently used the metaphor of "family." They were disconnected, excluded from their institution and the interdependence was broken. That was wrong – not on grounds of obligation but rather on the long-standing nature of the connection they had experienced.

The second category of response was that 45%

TABLE I
Model of two different kinds of ethical relationships

	Patterns of interactions between managers and staffs with their ethical dimensions			
Relationships*	Defined with their ethical dimensions	Characteristic features	Characteristic skills	Example from experience
1. Relationships of justice, reciprocity or contract	Defined in terms of obligation or duty; underlying concern with equality-fairness, and hierarchy in interactions.	Usually limited by terms of contract or agreement; characterized by fairness between people; quid pro quo; subject to termination if contract not met.	1. To define precisely terms of contract. 2. To act fairly. 3. To argue persuasively.	Saltonstall wrote the severance contract first; then he argued for it.
2. Relationships of interdependence or negotiation	Defined in terms of interdependence: underlying concern with the particular situations and contexts and well-being of those in relationship.	Usually are considered long-termed even if not; mediated by concern for well being of all parties. Characterized by flexibility, some ambiguity, a willingness to reformulate or renegotiate the terms of agreement.	1. To be fluid, ready to readjust, act on particular circumstances. 2. To take long-term view; take time. 3. To listen sympathetically but critically; create new options.	Saltonstall predicts increases in time, to work out agreement: his concern about controlling the process, and greater difficulty in predicting outcomes.

* These relationships are *not* necessarily to be considered as mutually exclusive.

"would go back to Harvard tomorrow" while 24% wanted no further relationship with Harvard. In spite of all, loyalty to the employer continues.

In spite of their very negative feelings about the new situation, the workers still have good feelings about Harvard and would return to it tomorrow – another confirmation of Lyon's interpretation offered above, that is, that the men experienced in their everyday lives a different relationship to Harvard, one they still valued. It exists and survives beyond the change in contract.

Third, 66% responded spontaneously "I knew they had a problem" and were further able to elucidate what that problem was.

With respect to what problems existed in the structural trades group they said:

- It's hard to explain. It was management's fault. Managers had no knowledge, no idea of what we were doing.
- Harvard used to hire anybody – did not know the trade – so we had to cover for them, the dead wood.
- It started ten years ago. The department was going downhill – they didn't want to listen to you; lots of times we were unproductive. It was like a tree dying – each year management saw, but couldn't salvage it.
- People blamed it on overstaffed maintenance workers. But the overhead (from managers) was so great. But you cannot stop progress. It probably had to come on account of the dead wood.
- I saw that they did not invest in some new techniques. They were doing some things by hand. They were behind the times.
- Good ideas were turned down. It was an age-old problem.

When Lyons discovered this knowledge on the part of the workers, she asked herself why the men did not comment to management sooner. She then answered that some managers and union business agents would argue that the reason the men did not talk was just that they were not invited to, but she suspected some didn't do so because they knew nothing would happen. She hypothesized the men thought they would not have been heard, and that because management at Harvard had not acted before to solve the problem it probably would not do so now. One unintended consequence of this silence, suggested to Lyons by the union business agent at Harvard, was that the workers in effect colluded with management to keep things the way they were. Until someone (like me) broke this collusion, it would continue for a long time.

In thinking about these results and discussing them with Lyons, I concluded the employees involved were much more knowledgeable about the difficulties in their sub group and much more loyal to the University than I gave them credit for. Lyons challenged me to explain why I did not take any of my deliberations about reorganization to the employees and include them in the development of a solution. Yes, I was gratified the survey results were as positive as they were, but I was also challenged by the employee comments to think more carefully about what employee involvement in my decisions would have meant for Harvard and me personally. Simultaneously I made mental note that Peters and Waterman's principles of excellence would have encouraged me to accept employee involvement and that various articles published in *The Journal of Business Ethics* find consistency between the principles of excellence and ethical decision making. This was important to me because this department at Harvard had also been working extensively to develop aspects of participative management into its daily routine. So I have thought this whole matter through (granted in retrospect) from an employee participation perspective, and I have consulted with several of my peers in human relations fields to help me identify the issues.

How could I have included the employees?

Contemplating all this at length and in detail leads me to conclude there are seven central issues an executive should consider before deciding to include employees in his deliberations about reorganization. They are:

- Can he define the problem specifically enough to relate it clearly to employees?
- Is he willing to seriously consider solutions different from his own?
- Will he commit his own and the time of his corporation to resolving a solution?
- Is there time to let the process work?
- Will the union, lower-level management, or

other special interest groups help or hinder the process and can he control them?
- What is the probability of success and the risk of failure?
- Would the organization's "culture" allow such a participative approach to reorganization?

To start a process which includes employees in thinking about reorganization, executives must be able to define the problem specifically enough so that employees can relate to it and realize they will inevitably be affected by its solution. Any employee group is first going to say "Oh, it's not that bad. We'll just work a little harder" followed in due course by "Well yes, we understand, but it is really another group that is the cause of the problem." Both may be somewhat true, but the employees must be made to realize that some kind of major change is definitely going to happen, and they only have a choice whether to participate in formulating it or simply allowing it to develop. For me this would have meant defining what I meant by poor quality, low productivity, high cost, and high customer dissatisfaction in convincing enough ways that the employee conversations stopped blaming only management's deficiencies and started considering how employees could develop analyses and suggestions with management to improve on all counts. The head of Harvard's union confirmed that our employees knew there was a problem and the general nature of it. I conclude that if an executive feels he cannot carry his employees' thinking across this bridge of transition to constructive participation, he should not initiate this participative approach to reorganization.

However, if he concludes this is possible, then he must next question his willingness to be open to new ideas and consider solutions to the problem that may differ significantly from his own. In reality, this statement should be applied to the employee group also, because if both parties can't sincerely listen and acknowledge each other, the probability of real success is small. Along with this commitment to openly discuss comes an implied commitment to give a solution time to work. And so I'd have had to stop thinking about severance of Harvard's structural trades and realize if I started this process that I was making a commitment to allow an alternative solution time to prove itself. None of this need imply that the executive loses control over the situation, though it is clear to me anyone initiating such a process must work hard to maintain control. This also should not imply sacrifice of an executive's right to stop the process if it seems not to be working. My conclusions are that in some fashion, I would repeatedly state to my employees, "I want and am willing to carry this process of deliberation through to a conclusion, but you must also realize that I will make the final decisions including whether to continue the process. Please don't take this as a threat, but do realize I insist we must change, and I hope we can figure out how together."

The dilemma of time will surely be next for those who say "Yes, I want to try" after examining these first two issues. First, there will be the dilemma of personal time for the person designated in charge of the process, most probably the executive him-or-her-self. Some one person must represent the corporation as the change agent, and that person will inevitably attend many long meetings with employees and management as the decision-making evolves. That person must control the process and should approve and execute the solution also. When I apply this to the situation I faced at Harvard, I conclude the burden would have fallen mostly on me and predict it could easily have occupied 25% of my personal time. No easy task. Second is the time which will be consumed by all those involved directly and many indirectly. Not only will there be a need for formal meetings, but the process will encourage informal meetings. These need not all be held on company time, but many will be, and so productivity will suffer. Equally important is emotional time. The changes being discussed will affect people's emotions in different ways, but management should not neglect the impact of this either. Here too, I believe rules can be set about meetings and productivity such that work will continue at a reasonable pace. The matter of executive time is probably more imposing than employee time, but both will add up fast and should be included as a consideration before deciding to reorganize using employee deliberations.

Equally important as the personal time that may go into all this, is the elapsed time, the time on the calendar required to execute the process, and whether the organization's circumstances will allow it. The process of deliberation and execution will not be swift, though I believe it can be controlled. My peers in human relations suggest the deliberation could be accomplished in three sets of meetings, one to announce and discuss the problem, a second in small groups to discuss methods of improvement, and a third to announce and discuss the solution. This structure is probably correct, but the second set of meetings may require a lot of deliberation within each small group and then a good deal of coordination between small groups to integrate a solution appropriate for all. And then, of course, execution of solutions which inevitably involve large groups of people will take time. For my structural trade group of 68 employees in retrospect I'd have set aside six months of intense deliberation and execution activity followed by another six months of conscientious follow-up. For a smaller group this could be cut in half, for a larger group doubled, and for a very large group tripled. As I think back, I'm unsure whether the urgency for action associated with my situation would have allowed me to invest 6—12 months of personal or elapsed time to this method of decision-making. I hypothesize that for many executives reorganization issues arise in a crisis atmosphere, and the elapsed time for a solution to be in place is frequently an important issue. Employee participation will be slow to the point where I conclude executives must learn to recognize these developing crises earlier so that they can treat them more ethically with time on their side. That strikes me as a subject for another day, but we need to conclude here that the elapsed time for a solution to be in place needs to be considered before starting the process.

A fifth consideration is what role unions, lower-level management, and special interest groups may play if an executive opens deliberations to employees. For me at Harvard, I think the three unions involved would have allowed such a process, but I'd have expected difficulty with my lower-level management group, because they were being reorganized simultaneously. The important criteria here is whether special interest groups will be willing to try a participative approach to problem-solving, not whether they enthusiastically support it. At Harvard special interest groups would probably have organized to influence solutions, but might have withheld any significant disruption until solutions unsatisfactory to them were announced. Other organizations would judge these things differently, but the point is that no executive can count on universal accolades for his willingness to open up deliberations on reorganization. Objections will inevitably develop and an effort to anticipate and judge those in advance may influence one's decision to proceed.

The sixth central issue is measuring the probability of success and the risk of failure. Unfortunately my dilemma at Harvard would have been choosing between the choice I made of announcing the reorganization, investing $700 000 in severance payments, and accepting a 1—1/2 year pay-back from savings realized or alternatively entering an employee participation process which would have taken a year, had no clear outcome, but might have been more sound ethically. "Because they are unfamiliar with entangling details, corporate higher echelons tend to expect highly successful results without complications" says Robert Jackall in the *Harvard Business Review*, and so I would expect many executives to choose as I did, because I was fortunate to have no real opposition develop to my plan. My peers in human relations don't agree and urge me to place clear and measurable but realistic standards on whatever solution is derived from employee participation, and then use that to guarantee an outcome. I am perplexed how I would decide if asked for $100 000 with less than 50% probability of success and unclear payback or $700 000 for a known accomplishment of success and less than two-year payback, and that's about how I'd have viewed my situation three years ago. For me, I found nothing in my prior experience and was aware of nothing in business literature which would encourage me to choose the participative path nor indicate its real cost or probability of success.

And finally an executive considering participation as part of the reorganization process should evaluate his organization's "culture". Employees come to know how an organization acts and feels about issues of importance. If the participative process proposed is completely inconsistent with how the organization normally resolves issues, it is less likely to succeed, i.e., a very authoritarian organization is not likely to succeed suddenly switching to participation. On the other hand, if the participation is consistent with how at least some other things are done it stands a chance in reorganization, too. The exception I might note here is that a new executive could use this participative technique even in an authoritarian organization if he/she wanted to also signal a change and the start of a new culture and way of dealing with problems. This final central issue is important because style and culture are part of the employee interdependence which holds organizations together and sudden changes in these will shake this interdependence fully as much as reorganization.

Yes, I conclude I could have included employees in my considerations, but at least the next time I will carefully consider the seven issues discussed above before making that decision. They will help me to make the correct decision on this issue of participation.

Lyons' reaction

Lyons draws on her research in ethics to offer the following explanations. When an employer asks employees to participate in the analyses of what is wrong in an organization – such as Saltonstall entertains – the employer joins in a new relationship with his or her employees. The individuals involved enter a more fluid, less defined set of connections, ones that go beyond the letter of any agreement. Employees in such a situation exercise "voice," – a term economist Albert Hirschman (1970) uses – and show a willingness to live in ambiguity, in the hope that executives and the people involved will do things to right the necessary wrongs for the benefit of both parties.[1] But when managers do this and try to operationalize "voice" within their organizations, they activate new relationships and a set of ethical considerations as well. Saltonstall's seven points to executives suggest his effort to identify the boundaries for these new relationships. Recent research in moral psychology summarized in Table I suggests how these ideas about relationships and their ethical dimensions fit together. These ideas, which emerged from the ways people actually talk about the moral conflicts of their lives, share a basic assumption with psychologist Jean Piaget's (1932) belief that, "Apart from our relations to other people, there can be no moral necessity." Morality resides in the connections between people.

These interpretations offer a way of understanding reductions in staff that occur in a variety of settings. Many long-standing employees when terminated by their employer do receive excellent severance, but still talk about the injustice of the situation and couch that in language which asks, "How could they do that to me, after all the years I spent with them?" In spite of the fairness of a termination contract, people characterize the situation as unethical, revealing in this construction underlying elements of the ethical dimensions they see and experience.

Similarly, executives in these situations are likely to be troubled by them also, even though they may be unaware of the reason or frame it simply as one of those tough decisions executives must make. The work presented here, illuminated by the Harvard workers, suggests a broader interpretation. That is, that executives, like their employees, experience the ethical dimensions of their decisions. They seek some ground to justify what they are doing, but the justification rarely takes into account the side of interdependence.

Most managers, if trained in ethics, are likely to have been trained in the model of justice, rights, or contract and are less articulate in the ethic of interdependence. Consequently executives lack a language to discuss issues in these terms. More importantly they may lack a habit of mind which anticipates the consequences of activating a model of relationship with a different set of ethical dimensions.

Lyons was impressed by Saltonstall's seven suggestions for how an executive might realistically approach such a situation, because she worries that if an executive begins to dabble in this field of interdependence, there may be unintended consequences. Without forethought and commitment to this process of interacting, employees may mistrust an executive's preliminary efforts and label him manipulative. In fact in a recent New York Times review of the new business literature, Benjamin DeMott confirms this concern.

Saltonstall did an unusual thing when he encouraged this research. He asked for and received feedback on a key decision from those involved. Through telephone interviews conducted by a third party he was able to listen to his workers. What he heard gave him new insight into his own job and the ways of keeping an organization vital and efficient. His men offered spontaneous insights into what was wrong. He learned about a resource available to him he did not know he had.

While his actions in reviewing a past decision are not often carried out – rarely do managers reflect, they more often are taught to predict – his project activated reflection and in doing so revealed a surprising loyalty, and set him on the path of trying to define a new relationship in its ethical complexity.

In conclusion

In this article Lyons and Saltonstall have described a common reorganization and severance situation faced by Harvard University. They have added the feelings of those involved three years after the severance was completed. These challenged Saltonstall to rethink how he might have accomplished the reorganization in a more ethical way, and he defines and analyzes seven key elements he proposes as a new thought process. Lyons uses her knowledge of research on moral and ethical dilemmas to explain some of the issues this research project revealed and some of the concerns Saltonstall has. Together, Lyons and Saltonstall do not conclude that there absolutely is a better way to reorganize than the conventional model of justice and contract, but they do suggest there may be unexpected efficiencies garnered from executives and employees learning to talk through their problems. They do conclude there is plenty of evidence in the Harvard case and the new research in ethics to indicate that executives should consider active employee involvement in reorganization situations. If executives do so, they are convinced their decisions will have a sounder ethical dimension consistent with good business practice.

Appendix A: A note on the research methods

The research on which the data and conclusions in this article is based was undertaken at the request of Saltonstall. The primary method of data collection was the telephone interview. Former structural workers were told of the study by a letter from Saltonstall and then telephoned by researcher Lyons. Workers were told Harvard wanted to review the severance process. They were asked if they would respond to a series of questions: about their own response to the original situation and announcement of the severance, about what they thought of the decision now and what had happened to them personally, if they thought the original decision on Harvard's part was ethical and right, and, finally, what if anything they would like Harvard to know today of their reflection on the events.

Of the original 68 men who were part of the structural trades' group, 18 were not available for contact – they had left the area or were otherwise not possible to reach. Of the remaining 50 men, 38 were contacted, that is, 76% of the available sample – 56% of the original group. Only one person was not willing to talk about the situation: most said they were open to further contact and discussion. One person wanted to meet in person.

Note

[1] Hirschman (1970) uses the ideas of exit, voice and loyalty to describe the dynamics at work when there is a decline in quality of an organization or product. Employees or customers in that situation can either leave – exit – or voice what they think is wrong. Loyalty activates voice and keeps exit at bay.

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