

MGTO121 Individual Assignment: OB Issues in the News

Illya Lapko / Nov. 10, 2008

The current economic crisis has affected the balance sheets of a significant number of large and small corporations the world over. The US is no exception to this as many sizable American businesses have felt the full force of the repercussions with enormous losses in income. Some of the historically largest organizations were reduced to being on the receiving end of enormous bailout packages from the federal government. But the situation has not only affected the fiscal side of companies, over the past few months over a million of both high- and low-level employees have had to face the misfortune of being laid off from companies they have been loyal to for years. Many white-collar and blue-collar American workers now find themselves unemployed.

This has obviously created times of emotional strain for those involved, and Carol Steinbrecher's state of affairs is a very depressing example of just how bad things have become. Steinbrecher worked at Xerox for 17 years before being laid off with 800 other employees of the global enterprise. She obviously had an organizational commitment to her employer that has been absolutely shattered. Add on to that the fact that she was the main breadwinner of the family earning a salary of \$50,000 to \$70,000 a year and supporting 3 sons, the oldest of whom is paying out of state tuition at the University of Delaware, with the other two approaching university age. Although she and her family are facing a great deal of stress, Steinbrecher manages to remain rather optimistic, but at the same time realistic about their otherwise somber situation. The newspaper article does not make her appear to fear the unknown, but rather hope for the best and try to make the circumstances affect her family in only trivial ways. Her oldest son however took a very responsible role to put less pressure on the family budget by quitting the University of Delaware and trying to find a cheaper alternative closer to home. As for herself, Steinbrecher has spent the past five months desperately searching for a job but not getting past the interview stage. Companies are just simply not hiring right now, in fact only a few industries are not being affected by the recession, namely the tertiary educational institutions, mining and the health care sector. Steinbrecher's competencies of being in

customer service management do not however fit in with the job requirements of these recession-proof industries.

In any case, Steinbrecher's situation is just one example of what hundreds of thousands of US households are experiencing at the moment. The definition of a safe job has changed in meaning as well as scope due to the economy. No job can be considered safe, not now anyway. A person's abilities, competencies and motivation are not currently paid special attention to; the additional workforce is simply not in demand. The situation can be looked at through the concept of Lewin's Force Field Analysis Model. The change in the economic environment has been a driving force for the collapse of many companies and therefore these organizations as well as their past employees are going to have to learn to adjust to the change and plan new ways to succeed in these difficult times.

Considering the situation, there are not too many feasible solutions. One could simply wait it out and hope the problem fixes itself. A more assertive alternative would be to acquire skills that could be applied across different industries. An industry that is almost always invulnerable to economic cycles is of course education and health care as these are essential. It would be impractical to suggest everyone should have a nursing degree handy during difficult economic times, but having the ability to teach is always a plus. Not only does this create more career opportunities for an individual but it also empowers them to acquire more competence and gain self-determination. Besides knowing what to do when hard times hit, it would be helpful to not make yourself fully susceptible to the negative consequences of an economic downturn. What this means is not following the poor decisions that the Steinbrecher family made with investing all the savings for their sons' college education in stocks. The family could probably learn from their past mistakes and modify their future behavior to save themselves from more turmoil.

Article Citation:

MAYEROWITZ, SCOTT. "Unemployed Nation: America's Shrinking Payroll."
ABC NEWS Business Unit 07 Nov 2008 8 Nov 2008
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