

## **Case Study #2**

**Your department has experienced budget cutbacks and has been in the midst of a hiring freeze for over a year. Until recently the department has been able to manage its financial problems without having to lay-off any of its employees. However, the university issued another budget recession of sizeable proportion which will indeed require the department to lay off personnel.**

**One of the areas for lay-offs is the Auto Shop. The Auto Shop has a formal apprenticeship program which presently encompasses two apprentices. One of the apprentices has just completed the second year of the four year program. It becomes imperative that you lay-off both apprentices. However, the second apprentice, Mr. Smith, has employee "bumping" rights within the department. As a result, he chooses to exercise rights and bumps an employee in the Sign Shop. Mr. Smith has no background or expertise in sign-making or graphics design work.**

**What should management do?**