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1. Print copies of the role- play exercise pages (one copy of "Background" for each student in the class; one set of the roles for every five students in the class).
2. Develop teams of five students (there are five unique roles in "Xylon Aviation").
3. Have each student read the "Background" as an introduction to the exercise.
4. Assign each student a role to play and provide the specific role description.
5. Indicate the desired outcome of the process (e.g., press conference, written and/or oral presentation, short -term plan, long- term plan, employee meeting, etc.) and create feedback mechanisms appropriate for the desired outcome.
6. Teams will need at least forty -five minutes to review, discuss, and prepare .
7. Link the key issues to course training and learning objectives.

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Cost-cutting | Manipulation of financials | Employee turnover



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Xylon

You are trying to prepare yourself for this meeting with the executive team. For the past week, you have been talking with your team about possible solutions to the budget shortfall. Some of the suggestions made you uncomfortable as they could be perceived as deceptive, but you are certain that the managers were kidding when they made the suggestions.

You have been with Xylon Aviation for ten years. For the most part, you have enjoyed your job. However, the last few years have been almost a constant headache. The company has experienced a freefall in demand, forcing the company to try and cut back on costs. Unfortunately, you feel that many of the cuts have been in HR. While the company has tried not to lay off too many workers, they have established a policy of not filling needed positions when employees depart for other jobs. Instead, the company has made the remaining employees pick up the slack.

Although this job has always been demanding, the average employee is working approximately 60 hours a week. Since employees at Xylon are paid on salary, they get no additional compensation for these extra hours worked. You don't think it would be an issue if the company improved employee benefits or offered them other incentives for working harder, but if anything, the company has cut back on benefits. The benefits packages of new hires to the company are significantly less robust than when you started.

The stress has gotten to your employees, and absenteeism has risen which in turn has led employees to also take over the jobs of those out sick. You know of one employee who basically takes on the responsibilities of three different jobs! Employee morale is sinking to an incredible low. You have brought this fact up in nearly every meeting for the past year, but you always hear the same answer. The company does not have the money to hire more employees.

You also hold a grudge against CFO Myron. You feel like he does not appreciate your efforts or the well-being of employees. All he seems to care about is costs. Yet you firmly believe that an organization is only as good as its employees. Burned-out employees lead to lower quality products, which you know will cause the company to sink even faster. And although you like Yasmin as a person, you feel she is an ineffective CEO.

You know about the options the CFO has proposed and have enough experience to realize that some of his propositions may be legally questionable. However, you would rather take actions that might be ethically or legally questionable than doing anything more to cut employee benefits. Any cuts to the pension plan will likely be the last straw for many

You are responsible for engineering, manufacturing, and the supply chain. You pride yourself in your extensive technical knowledge of helicopters, making you the go-to person whenever anyone in the organization has a technical question. You have been with Xylon for 20 years and plan on retiring within the next five years.

The losses at the company have been very concerning, and the massive product delay of helicopters to Turkey has exacerbated the problems and seems to highlight your role in the problems as well. As an expert in the field in charge of engineering, you are expected to ensure that products not only meet the deadline but that they are of the highest quality. You believe a combination of rushed deadlines and faulty parts are the reasons for the delays, but you feel that everyone has thrust the blame on you.

Still, as the executive VP, it is your responsibility to fix any problems. You implemented some solutions to the helicopter issue that should have fixed the problem and allowed Xylon to ship the products only a few weeks later. However, your solution only partially fixed the problem, making it necessary to install new components in nearly every helicopter in the order. As a result, your blood pressure has risen significantly, and at your last check-up, your doctor warned you to avoid large amounts of stress. You know this is not going to happen.

Yesterday, the CFO called an emergency meeting where you learned about the shortfall. You are very worried because you own significant stock options in the firm that could be rendered virtually worthless if the stock price falls too low. You have also heard rumors that the CEO is considering taking money from the employee pension fund to make up for the shortfall. You believe this is highly unethical and will do anything you can to oppose this idea. After all, the company owes you this pension due to your many years of back-breaking work.

Yasmin, the CEO, has asked all executives to come up with ideas to handle the budget shortfall. You have come up with the following options:

- Although most of the helicopters have been delivered to the company's Turkish customers, there are still helicopters left in the order that need repairs. You know if you could just make the numbers for this year, the company will bounce back. If you could convince your Turkish customers that the remaining helicopters have been fixed, you could have them shipped out early and claim the revenue as accounts receivable before the year ended. After all, the chances that the faulty components will fail are remote, and even if they do you don't think this will have much of an impact on the operation of the helicopters in flight.
- Your supplier of helicopter turbines has just delivered \$17.5 million worth of helicopter turbines. You could log the turbines as inventory and simply forget to have it logged in accounts payable, at least for the time being. You could say you discovered your mistake after the shortfall is taken care of.

