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RadioShack Layoff Notices Are Sent by E-Mail

By THE ASSOCIATED PRESS

FORT WORTH, Aug. 30 (AP) — The <u>RadioShack</u> Corporation, the electronics retailer, has followed through on plans to cut about 400 jobs, but it has been put on the defensive because of its decision to notify laid-off employees by e-mail.

Employees at the headquarters here received an e-mail message on Tuesday morning telling them they were being dismissed immediately.

"The work force reduction notification is currently in progress," the notice stated. "Unfortunately your position is one that has been eliminated."

A company spokeswoman, Kay Jackson, said that employees had been told in a series of meetings that layoff notices would be delivered electronically and that they had been invited to ask questions before Tuesday's notification on an intranet site.

Management specialists, however, expressed surprise at RadioShack's use of e-mail rather than face-to-face meetings with supervisors.

Derrick D'Souza, a management professor at the University of North Texas, said he had never heard of such a large number of employees being notified about a layoff electronically. He said it could be seen as dehumanizing.

"If I put myself in their shoes, " Mr. D'Souza said. "I'd say, 'Didn't they have a few minutes to tell me?' "

Laid-off workers received one to three weeks of pay for each year of service, up to 16 weeks for hourly employees and 36 weeks for those with base pay of at least \$90,000.

The company announced Aug. 10 that it would cut 400 to 450 jobs, mostly at headquarters, to cut expenses and "improve its long-term competitive position."

RadioShack has also closed nearly 500 stores, consolidated distribution centers and liquidated slow-moving merchandise in an effort to shake out of a sales slump. Sales of cellphones, a crucial item for the company, have been disappointing.

Last month, the company hired a former Kmart executive, Julian C. Day, as chief executive, taking over for an interim leader who stepped in when the previous chief quit after admitting lying on his résumé.

Shares of RadioShack rose 29 cents, to \$18.21.