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Dismissing Employees

How to Tell Someone They're Being Laid Off

by Rebecca Knight

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Dismissing an employee is one of the most unpleasant tasks of management. It's likely to evoke a lot of mixed feelings: sympathy, sadness, and anxiety. Even if letting go of the employee (or employees) is in the best interest of the company, you still may feel guilty. What's the best way to deliver the news? How do you strike the balance of being direct and compassionate? How much should you let your emotions show?

What the Experts Say

Presiding over layoffs is a “distasteful part of management that many people fear,” says Laurence J. Stybel, a career management and board adviser and an executive in residence at Suffolk University's Sawyer Business School. It's also a thankless task. “Nobody ever got promoted because they fire well. But your career can get sidetracked if you don't treat people in a dignified way.” All of your employees and customers are going to be watching how you handle the process. “The way you fire people needs to reflect the words you have in your mission statement.” Dismissing an employee or group of employees is particularly hard when you disagree with the decision, says Andy Molinsky, professor of organizational behavior at Brandeis University International Business School. “You'll feel conflicted, discouraged, and frustrated.” Still, as a manager you may have to do what's best for the company. Here's how to manage the process in a way that is clear and respectful, whether you're terminating a single person or letting go of an entire team.

Seek training

All organizations need an “effective, efficient, and standardized process” for handling layoffs “and everyone — managers and potential managers — should be trained in how to do it,” according to Stybel. “Training makes it a less frightening task,” he adds. Trouble is, says Molinsky, most organizations don’t “necessarily see the need to offer extensive training because it costs time and money and layoffs are a relatively infrequent occurrence.” This, he says, is an oversight. Companies that do layoffs poorly “suffer tremendous consequences,” including wrongful termination lawsuits and dents to their reputation. “It’s a no-brainer to invest resources in doing this well,” he says. If your company doesn’t offer training, Molinsky suggests seeking advice and guidance from mentors who have first-hand experience with laying off employees.

Practice

Don’t go into this task cold — and certainly don’t go in alone, says Stybel. It’s more comfortable and legally practical to deliver this news with at least one other person in the room. “Ideally you’re working closely with a consultant at an outplacement firm to help you manage the process,” he says. If not, enlist someone from HR. As you practice what you plan to say, role-play how the employee may react. “During the trial run, anticipate worst-case scenarios,” he says. “The person might cry. The person might invoke their family with something like: ‘My daughter is going to college in the fall, how will I be able to pay for it now?’ You need to consider how

you will manage your emotions” in these situations. You should have a script, but try not to rely too heavily on it, warns Molinsky. “The danger of a script is that you become too mechanical and detach yourself so much that you fail to show interpersonal sensitivity,” he says. “At the same time, you don’t want to be so moved by efforts to show sympathy that you don’t deliver the message.” Practicing beforehand helps ensure you “strike the right balance.”

Consider logistics

The physical environment in which you deliver the news should be a private, quiet room or office, Molinsky says. Have a box of tissues at the ready. The goal is to “maximize your comfort in delivering the message” while also granting “dignity to the person who’s being laid off.” Your safety is another consideration. “Oftentimes the reaction of the person is shock or sadness, but the person could get angry.” In light of this, Stybel recommends you “make sure that the person has direct access to the door in case he gets emotional” and needs to leave. “Make it easy for the person to storm out,” he says. While there is “no right time of day” to tell someone he no longer has a job — frankly, they’re all terrible, “try to do it on Friday because it gives the person the weekend to deal with it,” he says. “If you do it on Monday, everyone will be talking about it for the rest of the week.” And if you’re shutting down an entire division, it might be better to announce the layoff to everyone at once, according to Molinsky, “since they’re all suffering the same fate.”

Be direct

The script for letting an employee go is relatively straightforward, says Molinsky. “Get to the point quickly: Be direct, be honest, and no small talk.” Stybel recommends beginning the conversation by saying: “I have some bad news to deliver today’ because it emotionally prepares the individual. It’s equivalent to saying: ‘I’m about to punch you in the stomach’ versus just punching you in the stomach,” he says. Then say something like: “The purpose of this meeting is to tell you that your career with this company has come to an end.” Next, give the person a folder containing the severance arrangements. If your company is providing outplacement services, then say: “As part of the respect we have for you, we have hired a firm to help you successfully land on your feet.” Then hand over the meeting to the consultant or HR rep who will explain next steps. “It doesn’t need to be long and drawn out,” Stybel says. “Say what you need to say, then leave the room. The outplacement firm should take over.”

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Article by Rebecca Knight

Start by changing your mindset.

Don't get sidetracked

As the person who's losing her job absorbs what's happening, she might react emotionally. She might get teary; she might lash out; she might have questions. But you, the manager, must not respond. “You don’t want the conversation to devolve into a debate, discussion, or argument,” says Molinsky. Don’t

bring up the employee's poor performance or the fact that she had been warned. Instead, Stybel suggests saying: "If you wish to discuss the justice of this decision, I will be glad to set up an appointment with you next week — this is not the time," adding that he's never "had a situation where a fired employee asked for a follow-up appointment."

Be compassionate

When you've been tasked with laying off an employee with whom you have a good working relationship, "it's likely you'll feel genuine, deep sympathy" for that person, says Molinsky. In cases like these, "offer support" by, say, assuring him you'll give a great reference or offering to introduce your contacts. This is certainly not something you'd do for everyone, but if your relationship warrants it and it "feels natural," it's the kind thing to do. Most important, never talk about how difficult this decision has been for you. "That is irrelevant," Stybel says. "The employee doesn't care about your feelings right now."

Decompress and debrief

Letting go of an employee is a demanding task that "takes a toll" on even the most experienced managers, says Stybel. Don't neglect your own wellbeing. "Once you've delivered the news, find a way to physically and psychologically restore yourself," he says. Take a walk. Take a nap. Lift weights. "Whatever you do, don't schedule another meeting right after — give yourself time to

calm down.” It’s also “important to debrief,” with the HR manager that helped you do the layoff, says Molinsky. Together you can “reflect on how it went and what you might have done differently,” he says. There is usually room for improvement. “It’s an emotional moment, but at the same time, it’s a task and it’s a skill. You can get better at this.”

Principles to Remember

Do:

- Create a private, quiet physical environment in which to deliver the news
- Enlist the help of an outplacement firm or HR to manage the process
- Restore yourself physically and psychologically after the conversation

Don't:

- Go in cold — role-play the conversation and anticipate how the person will react

- Talk about how difficult this decision is for you — the employee doesn't care about your feelings right now
- Be callous — if you have a strong relationship, provide support by offering to introduce your contacts and by providing a great reference

Case Study #1: Show kindness and help to make the transition as smooth as possible

After the Department of Defense notified Aero Jet Medical that due to funding issues, it would not renew its contract, Danielle Wilson, president and CEO of the air ambulance transport company, “was in a tailspin.”

“We had only been a company for less than two years and we hadn't diversified our portfolio — we were 100% dependent on that contract,” she says.

The loss of the contract meant Danielle had to layoff 26 workers. She felt absolutely terrible. “I was very close to every single one of my employees,” she says. “They were people who had left secure jobs as critical care nurses and paramedics because they believed in the cause and because they believed in me.”

Before she delivered the news, she created information packets, which included each employee's individual severance package, accrued paid time off, as well as information on how to apply for unemployment insurance and COBRA coverage. She also included a customized reference letter for each person. "I wanted to provide them with empowering information to help them through the process," says Danielle. "I was trying to make the transition as smooth as possible."

She decided to tell everyone at the same time. She gathered the team together in the company's conference room and spoke in a "direct and matter-of-fact" way. "I tried to think about what I would want to hear if that news had to be delivered to me," says Danielle.

She read excerpts from the government's letter, which both explained the funding issue and also complimented Aero Jet Medical's professionalism and service. "I thanked them," she says. "It was emotional. But emotion, when it's honest, is important to show. I believe employees are the ambassadors for your company — even the ones who leave."

Danielle remains the CEO of Aero Jet Medical. Today the company has 150 employees and a diversified portfolio.

Case Study #2: Act decisively and deliver the news in a straightforward manner

In 2009, Ted Karkus became the CEO of ProPhase Labs, the makers of Cold-EEZE. It was a challenging time: sales were falling; morale was low; and retailers threatened to cut shelf space.

Ted could see that overhead was too high and that he had to layoff a large number of workers. He looked at each of his 26 employees' strengths and weaknesses and whether each was suited to his or her role. The exercise helped him realize that he needed to let a significant number of them go, including the CFO — we'll call him Michael.

Ted knew he needed to act decisively. "When you make the decision to [let people go], you cannot procrastinate," he says. He called a meeting with Michael and his COO. "The discussion was short and polite. I was straightforward in delivering the news and then I handed him the severance package." Michael, for his part, "was totally shocked."

Ted personally liked Michael so he offered to help him find a new job, and he kept the conversation on track by reminding himself of what was "in the best interest" of the company. "First and foremost, I have to protect the shareholders' interest. I have a responsibility to them and to the Board of Directors. That puts me in motion," he says.

Within one year, only five employees remained from the original group; Ted streamlined his team by hiring only 10 people to replace those he let go. As a result, he decreased overhead by almost \$2 million.

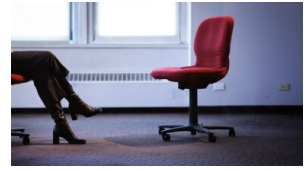
Today ProPhase Labs has very low turnover and Ted is philosophical about layoffs. “I really do care about every employee, even the ones I have to dismiss,” he says. “I want to help them find the right job for them. No one should be working in a position where their strengths don’t match the requirements of the job.”

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Rebecca Knight is a journalist who writes about all things related to the changing nature of careers and the workplace. Her essays and reported stories have been featured in The Boston Globe, Business Insider, The New York Times, BBC, and The Christian Science Monitor. She was shortlisted as a Reuters Institute Fellow at Oxford University in 2023. Earlier in her career, she spent a decade as an editor and reporter at the Financial Times in New York, London, and Boston.

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