



CONDUCTING EFFECTIVE SEPARATIONS

A Manager's Guide

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I. INTRODUCTION

Repeatedly, it has been demonstrated that the attitude, knowledge and skill of managers facing the daunting task of having to announce a position elimination play a significant role in the outcome of this process for their employees.

Sensitive handling of this assignment can enhance the separated individual's ability to move toward re-employment more quickly than might otherwise occur.

Goal of This Guide

The purpose of this guide is to assist managers in preparation for the professional handling of employee separations...

- which protect the organization's integrity, and
- which maintain employees' dignity and self-esteem.

To effectively convey the decision of a position elimination to an employee, and to conduct a smooth separation meeting, managers must:

- know what to say and what not to say,
- know their audience,
- be ready for tough questions and reactions,
- prepare thoroughly, and
- offer support and encouragement.

Your Role as Manager

Soon you will find yourself in the position of having to notify one or more employees that...

- his or her position has been eliminated, and
- no alternate position within the organization currently exists – thus; he or she is being separated from the organization.

Your role and your cooperation in this process and your professionalism are essential for...

- the separated employee,
- those who remain, and
- the organization at large.

As a leader, you have been asked to accept a responsibility that has become necessary in your organization. To accomplish this task with the least amount of anxiety and stress possible, it is essential that you...

- follow the corporate plan as presented to you, and
- prepare thoroughly prior to the separation meeting, by reading all material given to you, and by role playing your script.

Deviating from the recommended approach to any step in this process may create added confusion and heightened reactions on the part of the affected employees.

Acknowledge Your Emotions/Feelings

For most managers, the anticipation of conducting a separation interview generates some internal reactions. Feeling nervous, resistant, guilty, angry, compassionate and/or vulnerable are normal human reactions to this upcoming event.

While it is important for you to acknowledge your own emotions, the focus of the separation meeting is understandably on the feelings and reactions of the separated employee(s).

Maintain Confidentiality

Throughout the planning of the entire process, you will be exposed to some highly sensitive information. It is important to maintain confidentiality of all information related to the separation(s) prior to the event. Do not share this information with anyone other than designated representatives of Management or Human Resources.

In Summary

Your willingness to accept responsibility...

- to deal with the affected employees with dignity, and
- to maintain the integrity of your organization

will determine your success in this assignment.

PLANNING THE SEPARATION MEETING

Prior to conducting the separation interview, it is necessary that you take time to plan thoroughly for your part in this assignment. You are a critical link in the chain of events, which are about to unfold. The extent to which you plan will contribute to the success of the outcome for all.

Understand Logistics and Timing

You will want to find a private setting with at least two chairs, a desk or a table, and with no windows facing work areas. The room should have a telephone, all necessary materials, tissues, cups and a pitcher of water. It is recommended that this meeting not be conducted in the employee's office.

Plan your scheduling timetable in collaboration with Human Resources. Each manager will have a HR representative in attendance for the separation meetings.

Develop Backup Plans and Resources

Obtain phone numbers and locations for Human Resources, Security, EAP, etc.

Rehearse Your Script

Think about each person you must inform and try to anticipate that employee's reactions. If you have special concerns about any employee, seek guidance before the meeting. Role-play your script with a manager or Human Resources representative, if possible. If not, close your door and rehearse the script. This will help you immeasurably when you are face to face with an employee.

Review All Pertinent Information

Seek out answers to any questions you have, so that you are clear about what is going to happen, who will be affected, and why. You should be familiar with...

- reasons for the reduction,
- the notification script,
- an overview of separation benefits and services,
- the schedule of events, and
- future plans of the organization.

These will be included in a checklist provided for each manager.

CONDUCTING THE SEPARATION MEETING

Three objectives of a successful meeting are...

1. To inform the employee in a straightforward and sensitive manner that her/his job is being eliminated.
2. To provide details of the separation agreement including outplacement services.
3. To ensure professional handling of each separation to protect the organization's integrity and image, while maintaining employee dignity and self-esteem.

Key elements of a successful meeting are...

- to communicate the corporate decision,
- to provide facts clearly,
- to present the decision as final, and
- to offer support and encouragement.

Arranging the Meeting

Consider the steps you will take to schedule a private meeting with the affected employee. To request a private discussion, a formal approach is more respectful than a casual, "Say, do you have a minute?"

When planning the meeting, possible questions to consider are...

- When asked about the purpose of the meeting, simply reply, "It will include a discussion of department strategic plans."

Beginning the Meeting

When the employee comes into the office, rise to greet her/him and close the door. If possible, sit next to the employee, not behind a desk. Move directly into the purpose of your meeting. Small talk at this time is not appropriate. The employee will be very anxious and deserves to learn what is happening.

Delivering the Message (Script)

It is necessary that you follow the organization's separation message/script so that all employees will receive a consistent message. While this may seem harsh, it is the correct approach. Employees may be so upset that they don't absorb what you are saying. The clearer you are, the easier it will be to grasp.

SAMPLE SCRIPTS/LETTERS FROM PRESIDENT/CEO

Sample #1

(The organization) has been forced to implement a reduction in our work force. As your department head has discussed with you, this reduction directly affects you, and your employment is being terminated effective today.

We understand that this a very painful action for all involved. However, as your department head also discussed with you, we have exhausted all available options in an attempt to avoid this layoff, which resulted in the elimination of a significant number of positions.

Attached is an outline of the salary and benefit continuation package which (the organization) will provide for you. If you have further questions after reading this outline, please contact Human Resources.

In addition to the salary and benefit continuation, (the organization) has engaged the services of C Three Consulting to provide you with outplacement assistance in order to enhance your job hunting and interviewing skills, and make this transition as quick as possible.

I hope that you realize that we appreciate the services that you have provided to (the organization) and its (customers/clients/patients). Again, I want to personally assure you that we have made this very difficult layoff decision as a last resort, and only after a great deal of analysis and discussion at several levels of the organization.

Sample #2

As most of you know, over the last several months (the organization) has been engaged in a comprehensive study of its current and future business goals and product strategies. As part of this effort, management has conducted a re-engineering process with a goal of increasing our overall competitiveness.

Unfortunately, as a result of this review, we have determined that it is necessary to reduce a number of positions within the organization, including yours. This means that your employment with (the organization) ends today. While staff reductions are often a necessary part of a re-engineering program, it is still one of the most difficult decisions management is required to make because of the impact it makes on the affected employees.

I feel strongly that the changes that we are implementing, while affecting a number of employees, will be in the organization's best interest as we move forward in this very competitive market.

I would like to extend my personal thanks for your efforts and contributions in the past and I look forward to your support during this transitional period.

SAMPLE SCRIPT FOR MANAGERS NOTIFYING EMPLOYEES OF LAYOFF

I am sorry to have to tell you that following an extensive review of the business needs of the organization, _____ has announced a reduction in its U.S.-based workforce.

You are among the employees affected by this reduction.

What this means is that your employment is being terminated today.

This was one of the most difficult decisions _____ has had to make. The action was necessary to bring costs in line and to position the organization for the future.

I know that this will be a difficult time for you and because of that, _____ is taking every step possible to assist you financially and in finding employment.

We have retained C Three Consulting, an experienced career transition and outplacement services firm, to provide you with career transition assistance. We strongly recommend that you participate in their program.

Human Resources is available to explain salary continuation/severance and benefit information, and a representative from will explain the services available to you through the outplacement program.

Do you have any questions now?

Expect questions about selection criteria, why me, who else, etc. Please see Q and A for specific answers. You should answer the questions that you can and make note of those that you cannot. Refer benefits type questions you cannot answer to the Human Resources Department. Refer outplacement questions to Human Resources or C Three Consulting. Indicate what questions just cannot be answered--such as when will business turn around, how come you did not do different, etc.

Employee Reactions and Manager Responses

At this point, you can expect a variety of reactions from the employee. You have communicated the decision; now your role requires that you listen.

Listen to Employee Reactions

- Allow time for the individual to react and raise questions. Although you may be uncomfortable and anxious for the meeting to be over, respect the employee's feelings.
- Be a patient and attentive listener, allowing the employee to vent frustrations and hostility while sharing anxieties.
- Acknowledge that you understand what he or she is saying; listening is your most compassionate response.
- Be prepared for questions and rehearse standard responses. Avoid going beyond these responses. If you are unclear about something, or are unable to answer a question, tell the employee you will get an answer, and get back to him/her as soon as possible.
- Expect a variety of employee responses. As you can imagine, the impact of separation is powerful. Employees may react with anger, sadness, confusion, disbelief, numbness, fear, or other responses.

News of the loss of a job affects different people in different ways, sometimes in very surprising and unexpected ways. It is always best to remain calm and in control, acknowledging the feelings and helping the individual stick to the facts at hand.

The “Typical” Reaction

Reaction: The most predictable response to a termination is some hurt and disappointment, and possibly some anger. Most typically, soon after notification, employees display passive acceptance and show a normal concern for survival, often asking for help or support. Many employees may feel the loss of association, not just a job.

Response: Allow the employee to express feelings. Do not probe too deeply in an attempt to elicit other reactions. The employee may quietly ask a few questions or may remain silent. Be supportive and neutral.

The “Highly Emotional” Reaction

Reaction: In a more emotional reaction, the employee might break into tears or cry for a long period of time.

Response: Allow those who are overcome with feelings to cry. Don't try to stop them by promising special treatment, or creating false hope. Silence is usually the most supportive reaction from you. Most people will compose themselves fairly quickly. Offer tissues and water.

The “Angry” Reaction

Reaction: In some instances, the employee may become angry or hostile.

Response: As with other reactions, you should acknowledge the feelings of anger, but do not respond in kind. It is important to stay in control of yourself and the situation. Be supportive and neutral. Don't be drawn into an argument, even if that anger is directed at you. Do not attempt to turn the angry employee into a docile one, only time and counseling can achieve that. But do try to defuse the anger by remaining silent and composed; stick to the facts.

The “Out-of-Control” Reaction

Reaction: A rare reaction of hysteria or violence indicates serious problems and the need for professional help.

Response: In the unlikely event that an employee becomes violent, stay calm and immediately implement emergency procedures. Call Security and/or Human Resources. Tell the employee that you will not tolerate violence or aggressive behavior. Do not get defensive, be firm.

The “Controlled” Reaction

Reaction: Occasionally an employee may react as if this were “no big deal”.

Response: You may want to ask enough clarifying questions to insure that the information was actually heard and understood. At the same time, it is important to always respect the person's right to privacy.

The “Shocked” Reaction

Reaction: The shocked reaction may show up as a complete lack of reaction.

Response: You may find it useful to test whether the employee has gotten the message by saying, “do you understand what I'm saying?” If the person does not, paraphrase the separation statement, or expand your general statement. If the person can understand the realities of the message, they can move forward. You may need to take some additional time to allow the person's feelings to surface. Discuss these feelings and probe for rational responses.

Employee Meets With Human Resources to Review the Package

Human Resources staff will answer questions about benefits or organizational policy.

Concluding the Meeting

HR representative will review severance agreement and details of exit checklist if exiting immediately.

If exiting immediately:

- HR representative reviews separation agreement and package.
- Reviews checklist of termination, commitments, etc.

Future release:

- HR representative reviews separation agreement and package.

The total meeting time should generally be kept to 10 or 15 minutes. A longer meeting usually makes matters worse, not better.

When the employee has raised all questions he/she can think of at the moment, and seems reasonably composed, explain the next steps. (Example: "You will be speaking with a representative from C Three Consulting.")

When closing, rise from your seat (this will cue the employee to do the same), and accompany the person to the outplacement consultant.

It may be appropriate to make a supportive closing statement, such as: "I appreciate the contributions that you have made here and if I can be of any assistance, please let me know."

Employee Meets With Consultant to Discuss Outplacement

What is Outplacement?

Outplacement is corporate-sponsored career assistance, designed to help the separated employee in the transition from one position to the next.

Outplacement consulting assists individuals...

- in addressing many of the difficult realities that accompany a job separation, and
- in developing and implementing an efficient and effective job search campaign.

C Three Consulting will explain the outplacement program and set up the next step in the individual's outplacement program. During the meetings, an assessment can be made of the individual's emotional status.

The Employee Exiting Process

It is to everyone's benefit that the employee exiting process goes smoothly, with as little disruption as possible. Important issues to address include the following:

- Security considerations
- Cleaning out desk/boxes
- Phone voice mail issues/computer access
- Receptionist response to telephone calls
- ID/security codes/credit cards/keys
- Leaving the building
- Transportation home

If exiting immediately:

- The HR representative will hand you a termination checklist with details of property that should be returned before the employee leaves.

Reviewing the Separation Process

Once you have completed the separation meeting(s), be sure to make notes of each employee meeting. Evaluate what went well, what could have gone better, and any unresolved problems or issues. Review all commitments you made to each employee and develop an action plan for follow-up on those commitments.

IV. QUESTIONS AND ANSWERS FOR MANAGERS

SELECTION PROCESS/GENERAL

Q: How were the affected employees chosen?

A: The management of each area reviewed current and anticipated needs to determine which positions or functions could be eliminated based on the economics of the organization. Very difficult decisions had to be made and they were. The criteria used were skill sets needed now, job duplication, projects to be done.

Q: Were both management and non-management employees affected?

A: Yes. The layoff affected both; decisions were based upon the needs of the organization.

Q: Why was I selected?

A: The organization needed to reorganize and, as a result, reduce its workforce. Every job function was examined from the point of view of current and future needs. The decisions that were made were difficult ones. Decisions have been reviewed at all levels of management up through and including the CEO.

Q: Do you think it was fair?

A: Yes. The process was as fair as it could be. It was a difficult decision. It has been made and it is not reversible. Interest is now directed to assist you in looking for other employment.

Q: What options do I have to protest my selection?

A: This week, everyone is involved in trying to help you with benefits information and employment assistance. You know that the decision is considered final and we need to assist you now with your benefits and job search rather than focusing on your protest of the decision.

Q: I want to talk with (manager's boss, director, V.P., President) about this.

A: Today, everyone is involved in trying to assist affected employees with benefits information and employment assistance. After today, take that request up with Human Resources.

Q: Does the organization anticipate another layoff?

A: It is our belief that this action will allow the company to become more competitive and therefore no plans exist to have any additional reduction in force.

LEGAL QUESTIONS

Q: I want my lawyer present before I say or do anything else.

A: Today you will be introduced to the outplacement service and you will receive benefits and pay information, so there does not seem to be a need for your lawyer to be present. If, after today, you want to get your lawyer involved, he/she should contact Human Resources.

Q: I believe there is discrimination involved in the decision.

A: We believe there was no discrimination. All decisions were based on the needs of the organization.

PERSONAL BELONGINGS AND INFORMATION

Q: When may I pick up personal items from my work area?

A: We would like it to be done after hours by arranging an appointment with your manager. (Employee should get everything personal out of his/her desk, file, wall, office, cubicle, etc.) They should turn in keys, badges, etc. If they need to return to the building to get more personal property, they should make arrangements through Human Resources.

Q: I have personal information on the in-house system. When can I print it?

A: Please make arrangements to do that through your manager.

Q: Can I obtain copies of my resume contained in my personnel file?

A: Yes. You should discuss the request with your manager.

Q: What can I expect for a reference?

A: The organization will give information regarding job title, dates of employment and the fact that the reduction is a result of a reorganization and is not related to performance.

Q: Will you give me a reference?

A: If I am contacted by a potential employer and asked questions because I was your former supervisor, I will give reference information only with your permission. (Managers may give personal references at their discretion.)

DEPARTMENT CONCERNS

Q: Can I finish the project I am working on?

A: Your supervisor will work with you to allow a smooth transition of your responsibilities.

PAY AND UNEMPLOYMENT COMPENSATION

Q: Will I be able to collect unemployment compensation immediately?

A: You are entitled to draw unemployment compensation. Contact the Department of Employment and Training in your area for details. (Check phone book under Government for the nearest office.)

OUTPLACEMENT

Q: What does the outplacement service consist of?

A: C Three Consulting will provide the following services:

- career development and job search skills
- resume writing and production
- assistance with job search strategies and tactics
- interviewing skill development

Q: Will the outplacement service guarantee me a new position?

A: No. No one can give such a guarantee. The primary role of the outplacement service is to prepare you for all the eventualities of a job search. This advice is designed to give you a competitive edge in the job market.

Q: What type of information might I be given?

A: You will be counseled on all aspects of the job search including career planning, resume preparation, employment sources, correspondence, interviewing techniques, job evaluation, offer negotiations and other related topics.

V. INFORMING AND SUPPORTING REMAINING EMPLOYEES

To enable the organization to achieve the objectives of the reduction and/or reorganization, it is critical that the meeting with remaining employees take place immediately after the reduction has been completed.

Recognize Your Own Feelings

Recognizing your own feelings regarding the reduction-in-force is an important first step in preparing yourself to deal with the frustration. You may also feel vulnerable. Be prepared for verbal assaults on your integrity or management style by remaining employees. They are just beginning to react to the reduction-in-force and are dealing with an array of emotions – from the sadness of losing co-worker friends, to fear that they may be next.

To help cope with these emotions, some employees may feel a need to place blame, and the manager may be the target. Open, immediate communication will significantly reduce the chance of misunderstandings.

Recognize that the remaining employees are the ones who will help lead the new organization through the difficulties ahead, and they need to know that they are an integral part of the organization.

Understand Employee Reactions

Your understanding of the variety of employee reactions is also important to the separation process. In addition to experiencing feelings ranging from fear to relief, some remaining employees may feel guilty that they were spared. Others may be angry that management was not able to prevent this. In organizations that have not experienced a downsizing before, survivors may feel a betrayal of trust.

It is not unusual for assumptions about how layoff selections were determined to circulate as well as rumors about future reductions. If the reduction-in-force is a result of a merger, then it is common to hear staff discuss which side was, or is, being favored.

Some employees will experience higher stress levels and may act out their feelings in uncustomary ways. They could be more verbal than in the past about disagreeing with a new management policy not be as punctual as usual. While a manager needs to keep the rules consistent, he or she also needs to be accepting, for a week or two, of uncustomary behavior as employees adapt to the changing organization.

Rather than simply recognizing this as inappropriate, the manager will benefit from giving the employee a chance to vent his/her feelings. Then issues, such as feeling overwhelmed by additional workload created by the downsizing, or fear that the employee will be next to lose his/her job can be discussed openly.

Recognize Remaining Employees' Needs

This is the time when remaining employees need the reassurance of their worth to the organization. A variety of sensitive actions on your part will provide that kind of reassurance. Sharing information about the new work structure, helping employees manage work overload, and being available to answer questions is especially critical during this adjustment period.

Be prepared for questions about security, the quality of life in the restructured organization, and plans for the future – the organization's and your own.

Continued visibility, open and honest communication, and support by management will promote a smoother transition and a quicker recovery following the downsizing.

Summary

In summary, there are two populations affected by employee separations. For the employees who are being separated from the company, it is important to remember that in effectively conveying the decision of a job separation, and in conducting a smooth separation meeting, managers must:

- know what to say and what NOT to say,
- know their audiences,
- be ready for tough questions and reactions,
- prepare thoroughly, and
- offer support and encouragement.

For the employees who remain at the company, it is critical that managers understand their reactions and recognize their specific and individual needs.

Your role in the separation process is extremely important – for the separating employees, for the organization at large, and for those who remain.

RECOMMENDED SCRIPT FOR MANAGERS NOTIFYING UNAFFECTED EMPLOYEES OF LAY-OFF

As you may know, _____ announced that it has substantially reduced its workforce as part of a program to streamline its operations.

The action eliminated what we have determined are redundant positions and consolidates administrative operations.

There are no other employees in this group who will be affected by today's reduction in force.

The decision was a difficult one to make, I can assure you.

_____ is now helping the affected people focus on the future. Pay is being continued for a period of time and medical benefits are being continued until the end of _____.

We have retained C Three Consulting, an experienced career transition and outplacement services firm, to provide outplacement assistance to the affected employees.

I would like you to read this letter further explaining the action. It is from _____, President. (Give copy of President's letter to each employee - See attached example).

Now I would like to answer your questions about the action.

(Managers should refer to Questions and Answers information.)

Everyone should realize that we will now have to accomplish more with fewer people. That means that we need to continue to give our customers the highest quality products/service while working collaboratively and creatively to make _____ not only the industry leader, but also the most profitable, most aggressive organization in our business.

SAMPLE PRESIDENT'S LETTER TO UNAFFECTED EMPLOYEES

Dear Fellow Employees:

(The organization) is implementing a reduction in force, resulting in the elimination of _____ positions. We explored every avenue of cost reduction and efficiency enhancement. However, due to "an increasingly restrictive reimbursement environment in both federal and state programs,"or..... "the extremely competitive marketplace,"or(some other accurate description of the cause),.....these efforts did not adequately address the problem. You should be aware that we have made these difficult layoff decisions after a great deal of analysis and discussion at several levels of the organization, and only as a last resort to curtail our escalating labor costs.

It is more important to note that (the organization) is not alone in taking this action. As you may know, reductions in force have recently taken place in (organizations in our industry, i.e. hospitals, biotech companies, the computer industry) all over the Greater Boston area. Thanks to your hard work, we avoided this action longer than others.

In planning our labor expense reductions, we elected to avoid reducing employee hours, schedules, or benefits whenever possible. We chose an approach that will minimize the actual number of employees affected by the reduction in force. In addition, we do not anticipate any negative impact on our ability to provide (quality products / comprehensive, quality services to our customers / clients / patients). No future layoffs are planned at this time.

In an effort to assist those individuals whose positions were eliminated, (the organization) provided a salary and benefits continuation program. Also, (the organization) has retained C Three Consulting, a professional career management/outplacement firm, to assist those individuals with job hunting and interviewing skills. Every employee affected by this reduction was eligible for and urged to take advantage of C Three Consulting's services.

Finally, I want to thank you for your cooperation throughout this difficult process. Our continued success is totally reliant upon your support and creative participation in the area of cost reduction and efficiency enhancement.

Sincerely,

CEO/President