



A MANAGER'S GUIDE TO DISMISSALS

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If I have put a person into a job and they do not perform, I have made a mistake.

Peter Drucker (1909 – 2005)

A good leader must ensure their organization has the right people in the right roles. This means you must not only be good at hiring and managing people, you must also be effective at removing people from jobs they are no longer suited for.

Without a doubt, dismissing an employee is one of the most difficult and stressful tasks a leader must make. In some instances, the need is clear. If an employee is guilty of theft, insubordination, or harassment, for example, you must act swiftly to remove the person from the organization.

In most cases, though, the reasons for the dismissal are performance related. These are much more difficult to deal with. As the employer, you must think about whether you share at least some of the responsibility for the situation. Perhaps you made a hiring mistake in the first place or failed to provide adequate feedback or training to the person.

Rarely does the blame lie entirely with the employee.

Many dismissal “best practices” are scripted by corporate lawyers or HR staff and influenced by fears of being sued. While you cannot diminish the value of careful planning, you must approach the dismissal in a fair and respectful way that protects the person’s dignity and self-esteem.

Failing to treat people fairly will often backfire on you. Other employees will learn what happened and their morale and engagement could suffer. Also, many industries tend to be small and there is a chance the dismissed employee could become a client or supplier down the road. Ideally, you should seek to maintain good relations with the person after the dismissal.

This guide outlines a respectful approach to dismissing an employee for performance reasons. Although some dismissals are for economic reasons (such as a business downturn) or due to corporate reorganization, the approach to dismissal is largely the same. Here are steps to guide you.

1. PLAN THE LOGISTICS

Any decisions about how, when, and where to conduct the dismissal interview must be made with utmost sensitivity for the employee being dismissed as well as their co-workers.

The place of the meeting should be private and if possible, away from the employee's immediate work area. A common area—like a boardroom—is best. You should avoid holding the meeting in your office or the employee's office, as well as any public spaces like a coffee shop or restaurant.

There is no perfect time of day for the meeting but most employers favour mid-to-late afternoon. This time tends to work best if the employee is being asked to leave right away, as it is particularly difficult for an individual to return to their desk, pack up their personal belongings, and walk out in front of their co-workers. By mid-to-late afternoon at least some people will have left for the day.

Again, there is no perfect day of the week although you should avoid dismissals on Fridays in case the person needs support in the days immediately following the dismissal. You should also avoid holiday periods and any other times that may be meaningful to the employee.

Prior to the dismissal, you should decide who will attend and what will be said. The immediate supervisor should lead the meeting and convey the initial decision to dismiss. They should be accompanied by another person—ideally a human resources representative—who can review the contents of the dismissal letter with the employee and handle any questions regarding severance and benefits.

A letter outlining the decision to dismiss the person and the severance details should be prepared beforehand. The letter is given to the employee during the meeting and they generally have between seven and ten days to accept the terms and conditions.

The dismissal interview itself should be relatively brief (about 15 minutes) but you should be flexible to allow enough time to deal with any questions or reactions the person may have. Based on your prior knowledge of the employee, you should anticipate possible reactions from them and prepare appropriate responses for each one.

2. PREPARE A SCRIPT

Here is a framework you might follow with suggested wording, which will vary of course depending on the situation:

Deliver message. Even though you may be uncomfortable delivering bad news, don't drag it out by engaging in idle chit-chat. Get to the point of the meeting right away.

Kelly, I wanted to let you know that, regretfully, we have made the decision to terminate your employment with the company effective immediately.

State reason. Whatever the reason for dismissal, you should be brief and show compassion. You need not get into a lengthy explanation for your decision and do not get drawn into an argument. Your emotions need to be kept in check, even if you are angry with the person for something they did.

Kelly, as you know from our previous meetings, we have had concerns about your performance for some time and have concluded that you might be a better fit elsewhere.

Explain severance package. Naturally, the severance package will depend on the situation and the reason for dismissal. Regardless, the letter should be written with compassion in mind and delivered in the same way. It should also be clear and unambiguous. At this point in the meeting, the person is not absorbing much.

Here is a letter that outlines the severance package. We have put together a fair package for you. Because of your years of service with the company, you will continue to receive your regular pay for six months and your benefit coverage will continue during this time. You will also receive career transition services for three months and we are opening to discussing how we can provide a reference for you. In addition, we will do what we can to help during this period.

Discuss transition plan. This is a sensitive part of the meeting, especially if the person is being asked to leave right away. Here you must discuss handing over responsibility of job duties, removal of the person's personal items, and return of company property.

Kelly, we have arranged for Sam to take over your responsibilities. We thought it was best if today was your last day, so we will have to ask you to return the company laptop, credit card, office keys, and any others items you have that belong to the company. We will give you some time to return to your work area and gather up your personal effects, although that can be done later or after hours if you prefer.

Conclude meeting. Depending on the person and the situation, you can expect any one of several possible reactions. You should handle these with understanding but you should not prolong this part of the meeting as it could get in the way of the next steps—making sure the departure is helpful to the employee and least disruptive to the organization.

Kelly, thank you for your service to the company. I know this is difficult for you, but I am confident that with the right assistance things will turn out for the best. I want you to know we will be here to help if we can.



-
1. *Deliver the message*
 2. *State the reason*
 3. *Explain severance package*
 4. *Discuss transition plan*
 5. *Conclude meeting*

3. ANTICIPATE POSSIBLE REACTIONS

When people are dismissed unexpectedly, the most common emotions expressed are shock, anger, worry, sadness, embarrassment, or fear about the future. Occasionally, people will express relief and even happiness at being dismissed although those reactions are much less common.

Whatever the reaction you should acknowledge the person's feelings and always respond in a kind, empathetic manner.

If the person becomes argumentative and suggests you've made a wrong decision, you should not attempt to defend your decision or feel you must rationalize it. Simply restate your decision and the support the company is prepared to give during the transition period. In many cases, the person—although disappointed—will accept your decision.

It is natural for many questions to be running through the person's mind now. They might include:

- Why was I selected for dismissal?
- How did you decide who would be dismissed?
- Who made the decision to dismiss me?
- Was it my performance?
- Is anyone else being dismissed?
- What will I tell my family and friends?
- How will you position this with my co-workers?
- Will you provide a reference for me?
- How did you calculate the severance?
- What happens to my benefits and pension?
- What sort of job-search assistance will I be provided with?

You should have answers ready for these commonly asked questions. If you do not know the answer, do not make something up. Tell the person you will find the answer and get back to them.

4. STICK TO THE FACTS

A termination meeting should be brief and to the point. It is about communicating your decision, clarifying logistics, and explaining severance arrangements.

You should briefly state the reasons for the termination (such as performance issues, necessary cutbacks, or reorganizing) but you should not get drawn into a long explanation for the decision. The employee being dismissed will understandably want to know why, but the termination meeting is not the time to defend or debate your decision.

While this may seem harsh, particularly if the employee has been there a long time, any detailed conversation at this point will not be constructive.

If the employee starts to debate or argue with you, you should avoid the temptation to do so. You might want to meet again at a later date if you feel it will be helpful to the employee.

A termination meeting should be brief and to the point.



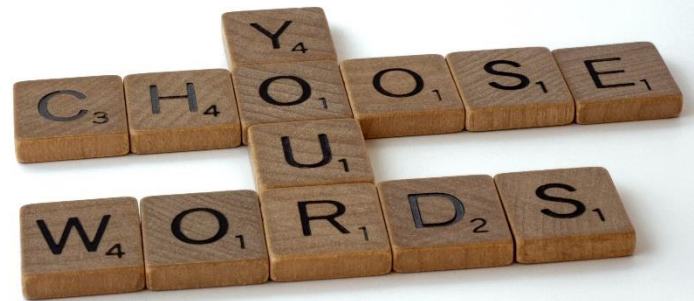
5. PREPARE AND PRACTISE

If you were giving a talk to a large audience or a presentation to an important client, you would always rehearse beforehand. The same thinking applies before having a difficult conversation, such as having to dismiss an employee.

It is helpful to role-play the conversation with an HR person or someone else who is familiar with the situation and who can take you through a range of possible scenarios.

But don't underestimate the value of preparing on your own through self-talk exercises to put yourself in the right mindset. For example, you might:

- Remind yourself that the person you are letting go deserves to be respected and treated with compassion and sensitivity.
- Remind yourself that the cause of the dismissal may be partly your responsibility—because you hired them into the wrong role or did not provide them with proper feedback or training.
- Remind yourself that everybody wants an optimal outcome. You do not need to cause harm to the person or embarrass them. Rather, you want them to find a job that better fits their skills, experience, and personality.



6. CONSIDER PERSONAL CIRCUMSTANCES

While these should not affect your ultimate decision to dismiss the person, their personal circumstances might affect the timing of the dismissal and how you do it.

For example, you should avoid dates that might be meaningful to the person such as birth dates, anniversaries, planned vacations, and holiday periods.

You should also consider their personal family situation if you are aware of it. For example, if someone lives alone, they may not have anybody at home to be with them and help them over the first few days. Perhaps there is a co-worker who might fill this role.

You might also consider their age and qualifications and how these might affect their ability to find another job. For example, an older worker with limited formal qualifications and who has worked for your company for a long time might find it challenging to locate comparable work. In this instance, you might offer a longer severance time or to pay for skills retraining in another occupational area.

Personal circumstances might affect the timing of the dismissal and how to do it.

7. DON'T LET IT BE A SURPRISE

If someone is surprised at being dismissed, it usually means that you have failed to provide clear performance feedback to them.

Dismissals rarely happen because somebody did something wrong once. Most often, sub-standard performance builds up over time and the employer, in effect, allows this to happen by not providing timely feedback nor further training to the employee.

This situation is more common than you may think. We have seen situations where employees have gone 20 years or more without performance reviews, even though their performance was generally poor all along. Successive managers—not wanting to deal with a difficult situation—ignored the problem and in doing so let it worsen over time. Then when a manager comes in who wants to take steps to remove the person, a dismissal becomes very challenging and costly.

The best way to head off any threat of a legal action over a dismissal is to deliver regular and timely performance feedback (that is documented) and to demonstrate that you have given the person adequate opportunities for training and skills development.



8. BE GENEROUS WITH SEVERANCE

Unless your cash flow is very tight, you should err on the generous side when designing the severance package. There are several reasons for doing so.

First, when an employee under-performs on the job and has to be dismissed, at least some of the blame must fall on the hiring manager, who may have hired the wrong person, or the immediate supervisor who failed to provide proper feedback, direction, or training to the person. Rarely is the dismissed person totally responsible for their own dismissal.

Second, a generous package will help you avoid potential litigation—which no one wants. Even if the person seeks legal advice, you hope the advice they receive is that the package is fair and reasonable.

Third, a generous package may also help you feel better about yourself and possibly remove some of the guilt you may be feeling about dismissing the person. Other employees—the ones who remain—will also feel better knowing their ex-colleague is being treated fairly, at least from a financial point of view.

You might consider seeking professional legal advice on the contents of the package, depending on the level of the position, but generally a good package includes:

- Details of the financial severance. The dollar amount will tend to correlate with the person's tenure in the company and will be paid either as a lump-sum payment or as salary continuation for a certain number of weeks or months.
- Professional outplacement or career transition services.
- Details about vacation pay and other benefits, like health coverage.
- A plan for providing references, if any.
- A legal release.

If the person being dismissed is senior level or well-known inside and outside the company, you might also include suggestions on how the dismissal is to be communicated to internal and external parties. For example, it might be communicated as a resignation rather than a dismissal.

9. DON'T SHOW FAVOURITISM

Any decisions about who to dismiss must be based on performance only. It would be wrong and damaging to employee morale if your decision was biased in favour of employees you happen to like.

The only exception to this policy is when you must make wide-scale cutbacks for financial reasons. In that case, it is entirely possible that employee who are otherwise strong performers will have to be dismissed to reduce costs.

This is one the reasons why you should avoid hiring family members or close friends into the business. It is also a reason why you should avoid developing close friendships outside of work with employees, as those relationships can cloud your judgment when making personnel changes.

10. ASK FOR RETURN OF COMPANY PROPERTY

One of the most awkward aspects of the dismissal process is asking for the return of company property. While this does have to be done to ensure proper security, it feels to the person that you no longer trust them.

While there is no easy way to do this step, the best way is to list in the severance letter the items that are to be returned. This list might include office keys, laptop, credit cards, cell phone, vehicle and parking pass, company email and social media passwords if applicable, samples or tools used on the job, price lists, and customer lists.

11. OFFER TO PROVIDE REFERENCE IF WARRANTED

If the person was dismissed for reasons completely beyond their control—such as company-wide cutbacks or a reorganization—then you should have no difficulty providing them with a fair and balanced reference.

The answer becomes a bit trickier if the dismissal was due to other reasons.

If the person was dismissed for performance reasons or because they were not a good fit in the company, you might consider providing a reference if you feel at least partially responsible for the situation. For example, you might like the person but know you made a mistake hiring them into that job or you did not provide them with the proper feedback and training. In other words, you feel a sense of obligation to them and want to help them find the right opportunity that matches their skills and personality.

If the person was dismissed for more serious offences (like insubordination, expense abuse, harassment, etc.) you should not provide a reference under any circumstances.

Occasionally, a person who has been dismissed will ask that it be officially stated as a resignation rather than a dismissal. While we have seen this done on multiple occasions, it always causes discomfort because it might create the wrong impression in the eyes of some future employer of that person. You should approach these requests with considerable caution as you do not want to be misleading any other employer.

You might consider providing a reference if you feel at least partially responsible for the situation.

12. BE CONSIDERATE OF OTHER EMPLOYEES

Employees who still have a job after a dismissal are affected also. They may be concerned about their own future with the company. They may be feeling the dismissal was unfair or unwarranted. They may be worried about how their former colleague will manage through this time of unemployment.

Whatever their concerns, you should prepare for a temporary drop in productivity especially if the person was well-liked.

Your role as manager during this time is to ensure that morale and trust are re-established as quickly as possible.

The best way to do this is to meet with employees individually or in small groups and explain the situation. These meetings should be face-to-face. This is not the time to be relying on email.

Good, clear communications are critical to reinforce the goals and direction of the company, even though the future may be uncertain. You should also acknowledge the fears and concerns that remaining employees may have about their own future, and you should reassure employees that no further layoffs are planned, if this is the case.

All employees should be thanked for their dedication and assistance in the past and reminded of the need to "pull together" so everyone can realize their goals.

Even though you as the manager may have fears yourself, your tone should be positive, and you should be visible and available to answer any questions employees may have.

Dismissals should never be taken lightly. Your actions will have an impact on the person, their career, their family, and possibly their personal finances. It might even mean they have to relocate to another city to find a new job. This is why dismissals must always be done respectfully.

On the other hand, you have duty to your employer—to ensure you have the right people in the right jobs, and that they are performing as expected. To be an effective leader, you must know how to conduct dismissals properly.

DISMISSAL CHECKLIST

Have you

- Reviewed and familiarized yourself with the person's personnel file and track record?
- Identified the specific reason(s) for the dismissal?
- Considered the best day, time, and place for the dismissal?
- Prepared a letter outlining the financial severance and other details like vacation pay and benefits?
- Prepared a legal release?
- Reviewed the terms of the severance letter and release with a lawyer or human resources?
- Considered the person's personal circumstances?
- Identified the company property that is to be returned?
- Decided if you will provide a reference?
- Invited someone else to attend the meeting with you?
- Planned and rehearsed what you are going to say?
- Anticipated all possible reactions?
- Arranged for career transition support?
- Thought about what you will tell other employees?
- Considered what you will tell people outside the company who worked closely with the person?
- Reminded yourself to do the dismissal fairly and with compassion and empathy?

ABOUT GERALD WALSH ASSOCIATES

Established in 1990, Gerald Walsh Associates is a human resources advisory firm serving corporations, municipalities, public sector agencies, not-for-profit organizations, associations, and owner-managed business.

We help these organizations succeed by ensuring their strategic human resource management practices align with their mission, strategies, and goals.

Our comprehensive offerings include executive search, performance management, compensation and benefits, organizational reviews, career transition, HR policy development, and succession planning.

As a purpose-driven firm, our work is guided by five core principles:

1. We believe every person is valued and worthy of respect.
2. We act with kindness.
3. We share our knowledge with others.
4. We believe that good relationships make a strong community.
5. We are committed to healthy and active living.

Like our clients, we are deeply engaged in the community and demonstrate this commitment through our day-to-day work and volunteer efforts.

For more information on our services, please visit:

www.geraldwalsh.com

Help us make this guide even better.

We want to hear from you. If you have any suggestions to improve this resource, please drop us a line: walsh@geraldwalsh.com. Thank you.

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