



**This Is Your Life Podcast**  
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Michael Hyatt

**Michele Cushatt:** Welcome to *This Is Your Life* with Michael Hyatt, where our goal is to give you the clarity, courage, and commitment you need to do what matters. My name is Michele Cushatt. I'm your cohost today, and I'm sitting in the studio with Michael Hyatt. Hey there, Michael!

**Michael Hyatt:** Hi, Michele!

**Michele:** Well, we've talked about hiring practices at different times throughout our interactions together, and we'd love to have the right team around us, but there are times when (in spite of our best efforts) we end up having somebody as a part of our team who really isn't a good fit, right?

**Michael:** Yes, and it's really difficult when that happens, because if you're like me... I avoid conflict. I like it when everything is going well. When I have to step in and confront somebody and, worst of all, fire somebody, that's horrible. I hate that.

**Michele:** Oh, yeah.

**Michael:** I'd rather do anything but that.

**Michele:** I don't even like tough conversations, let alone having to let somebody go.

**Michael:** Yeah. Have you had to do it?

**Michele:** No, I haven't.

**Michael:** Okay. We're going to get you prepared.

**Michele:** That's not necessarily because I haven't needed to at different times. It's just because it's just a hard situation.

**Michael:** Yeah.

**Michele:** I tend to value the relationship so much, and I don't want to have that relationship be broken afterward. Today you're going to tell us how to be able to walk through a firing process and keep the relationship from going up in flames.

**Michael:** That's right, but I want to ask you a question.

**Michele:** Okay. I don't have to answer it, do I?

**Michael:** Yeah, you do.

**Michele:** Okay.

**Michael:** Because you avoid conflict (and I do too), do you ever get into situations where you let things drag on longer than they should?

**Michele:** Absolutely, and it's always a disaster.

**Michael:** Yeah.

**Michele:** I'm getting better at dealing with conflict and difficult conversations sooner because I've seen how it actually gets worse if I leave it unattended, if I don't deal with it. But oh, I can't tell you how many times I've let it go on for far too long just because I didn't want to risk the relationship or hurt anybody's feelings or whatever it may be.

**Michael:** Well, plus you kind of hope it'll resolve itself, or maybe it was an anomaly.

**Michele:** True.

**Michael:** I go through this whole thing of self-doubt, like, "Well, maybe it was me," or, "Maybe I'm expecting too much," or whatever. But I think that regardless of that, inevitably you get to a place where the best thing you can do (not only for your organization and yourself but really for that other person) is release them from their current responsibilities so they can go find something where they can be more productive and useful.

**Michele:** Actually, this is a great place to start, because I think that to begin before we even get into the nuts and bolts of how to walk through a firing process, we need to reframe it. Firing is obviously not something any of us want to experience.

**Michael:** It's an unfortunate word.

**Michele:** Yeah, it really is, because it sounds so much like failure to me.

**Michael:** Right.

**Michele:** In some cases, there are certainly times when people get fired because of some kind of poor performance on their part. They are just lazy. They're showing up late or whatever it may be. But at times, the firing is because it's not a good fit, which doesn't necessarily mean they're a bad person. It's

just a bad experience or a bad fit or whatever it may be, so then the firing is not always a horrible thing but a necessary step to get everybody in the right place, functioning at their full potential.

**Michael:** That's right. I like the word you used: *reframe*. I think it does take that. You have to believe at some level that this is going to be better for your organization and that other person, and it's ultimately going to be better for you. It's hard when you're in the middle of that, but the truth is that everybody else sees the need. We know in our hearts that it's the need, and it really is more about courage than knowledge: coming up with the right courage to address the situation so that everybody can move on.

**Michele:** Okay, I'm going to ask you one more question before we dive into the how-to. When we don't execute on a firing situation that really needs to happen, what are the consequences of that?

**Michael:** Well, there are a lot of consequences. First of all, there's a consequence to people's perception of our leadership.

**Michele:** In fact, that's the first one that comes to mind for me.

**Michael:** Really? Yeah.

**Michele:** Yeah, because people are watching to see how we handle these situations, and it can affect the whole culture in the organization.

**Michael:** Totally, because everybody suddenly knows what you're willing to tolerate, and that's not a good thing.

**Michele:** No.

**Michael:** It doesn't call out the best in anybody else. I've unfortunately been in situations where I've fired somebody and then people have come to me and said, "We wondered when you were going to do that," or, "We've been waiting for you to do that," or, "It's about time."

**Michele:** You really don't want your people to get to that place.

**Michael:** You don't. Frankly, I'd rather be a little bit more patient and hopeful and hope that I can turn the situation or the person around, but when we don't act, I think people's perception of our leadership and our courage in particular goes south. But just apart from that, it really can affect morale.

When people know that somebody who is not meeting the standards or living up to the values of the organization is being sort of managed around, there's a real sense in which that person becomes the de facto leader. In other words, you're handing off leadership to that person, because that person is in control.

**Michele:** Yes.

**Michael:** They're doing behavior that everybody knows is contrary to the organization, or they're not performing up to a level that's the standard at the organization, and everybody knows this is not acceptable.

**Michele:** Okay, so to set the framework for this conversation, we're going to assume that you've already gone through a lengthy "rehabilitation" process where you've been trying to get that team member to come in line with the organization, to perform the way they're supposed to, to do their job. We're going to assume you've already gone through a pretty lengthy process of trying to preserve that employee-employer relationship, and it's just not working.

So now you're at a place where you literally have to let them go. We're going to assume that's exactly where we're entering this process. You're going to give us several different steps to be able to walk through a firing process without the relationship going up in flames. What's the very first step?

**Michael:** Well, I would say the very first one is to *start with the outcome you want*. This is going to apply whether you're laying the person off... Let's say you're going through a tough economic period or a downturn or your industry is going through a downturn. The company has had a setback for whatever reason, and now you have to lay somebody off. It's not related to their performance.

**Michele:** Yeah, it has nothing to do with them.

**Michael:** It has nothing to do with them. It's just that you have to cut somewhere. I went through this at Thomas Nelson during the recession. Our sales literally plummeted 20 percent in 12 months, so in the course of 12 months, we lost 20 percent of our altitude. That is huge when you're talking about a business that doesn't even make 20 percent margins. You're talking about the difference between business failure and success, so we had to cut our employee workforce by about 20 percent.

**Michele:** Oh, that had to be so painful.

**Michael:** Oh, it was so painful. Understand how many this was. We had 650 employees before we entered the recession, so we had to cut over 100 people from the staff.

**Michele:** Now take just a moment to think about that. That's 100 people, but...

**Michael:** One hundred families.

**Michele:** I was just going to say that. For each one person, that represents (in most cases) a family.

**Michael:** It did.

**Michele:** So this is hundreds of people we're talking about who are impacted by this.

**Michael:** It did, and initially as we were entering the recession (I mean, it's clear in hindsight), we didn't know it was going to be as severe as it turned out to be. Initially we saw this downturn, and I felt

like we were ahead of the curve, so I proactively went to the board and said, “Look, we have to trim 10 percent of our workforce.” They said, “Great. We appreciate that you’re ahead of the curve.” Honestly, that wasn’t that difficult.

I don’t want to sound inhumane about this, but I think that in a lot of large organizations, there are people who, simply because the company is doing well in a good economy... You don’t make the tough decisions. You tolerate more, and you have more fat, so to speak, more people who really should have been let go, but you were just unwilling to deal with it. So that first round of layoffs wasn’t that difficult. There is still the human part of it that hurts, but you go...

**Michele:** It was probably almost a necessary pruning in some ways.

**Michael:** Yeah.

**Michele:** There’s some benefit from that.

**Michael:** You think the organization is going to be fine. Well, then we went to the next 10 percent, and then all of a sudden...

**Michele:** Now it starts to be a little more painful.

**Michael:** A little more painful, because now you’re letting good people go. I think of one guy in my church, for example, who I had known for 30 years and who had been with the company for that long.

**Michele:** Oh, wow.

**Michael:** We had to let him go. Again, it had nothing to do with his performance and everything to do with the economy, but it didn’t make the conversation any easier. Earlier I said we let 20 percent go. We actually ended up letting 28 percent go.

**Michele:** Oh my goodness.

**Michael:** We let still another 8 percent go after that. By this time, you’re really cutting into bone. It’s whatever metaphor...

**Michele:** Now you’re starting to wonder if you’re sacrificing productivity, potential revenue, and everything else.

**Michael:** Can you do it and survive?

**Michele:** Can you? Yes.

**Michael:** Yeah. So you're just trying to stay ahead of what the economy is telling you. So all of that is to say these steps which I'm about to outline would apply in that situation too, but it begins with starting with the outcome you want.

**Michele:** Okay.

**Michael:** I remember that as we were in the recession (we weren't calling it that, but we called it the economic downturn), I got all of my executive team together, and we had all collectively come to the conclusion that we needed to cut 10 percent of our staff. We said, "Look. It's really important not only for the sake of the people who we're letting go... Because we love these people, and even though they're not as integral to the mission..." It's like I was talking about before.

"We want to treat them with dignity, with compassion, with respect. We certainly don't want them leaving hating the company or, worse, being left to fend for themselves. What can we do?" So we started with the outcome. We said, "Look. We want these people to feel like they haven't been abandoned." We were literally writing these on the whiteboard. "We want these people to feel like they're not alone."

**Michele:** I like that. I like that you were actually writing down what that outcome was.

**Michael:** Yeah!

**Michele:** It's very, very clear. How many people were part of this discussion?

**Michael:** There were 12 of us.

**Michele:** That's great. Everybody was on the same page as you were identifying this.

**Michael:** Everybody was on the same page.

**Michele:** Okay.

**Michael:** So that was one of them. We didn't want people to feel like they were left alone. We did want to give the maximum severance we could. In fact, we looked at our employee handbook and doubled that.

**Michele:** Oh, wow. Okay.

**Michael:** We were in a position to do that, so we said, "We just don't want anybody to have any doubt that we've gone the second mile." But then we started getting down to things like... They were all going to get a phone call from one of those executives in the room, so even though they might have been three or four levels down from us, we were going to make a call and not offer anything other than to just say, "Hey, I just want you to know I'm so sorry," just to acknowledge it.

**Michele:** It's amazing how just a sliver of validation, just acknowledging, can just really encourage or empower another person. It's amazing how that can happen.

**Michael:** Well, it's easy when you're running a company or you own a business to kind of leave the ugly stuff to somebody else or duck and run. We had determined that we didn't want to do that. Moreover, we said, "We want a communications plan." We developed one. Somebody on that team had contact with the people who were let go on a regular basis, and in every case, we asked, "What can we do to help? Can we write letters of recommendation? Can we make phone calls on their behalf?"

We said this together as a team. "Our mission is not done until these people are all placed in other organizations and have jobs." It was the right place to begin, because that framed everything. That informed the process. That informed the policy. It informed the communications plan. In everything we asked, "What leads to that outcome?" Getting really clear on that outcome is critically important.

**Michele:** Another thing I was thinking as you were talking is that you guys were handling this for the people who were exiting, but the people who were staying were also watching exactly what you were doing.

**Michael:** Absolutely.

**Michele:** If you wouldn't have chosen to treat those who were leaving with as much value as you did, it would have changed how everybody else who was watching felt about you and your leadership in the organization. So it is so key.

**Michael:** Well, this is why you get cynicism in organizations.

**Michele:** Yes.

**Michael:** They go, "Gosh, it used to be that people would commit themselves to a company for life, and then people became sort of interchangeable moving parts, expendable when the need arose." But when you treat people with dignity, respect, and compassion, it does communicate to your existing workforce that they really are important and valued. I can tell you that with all of those executives I know, even in that first layoff, there were a lot of tears. It was really hard.

**Michele:** Of course.

**Michael:** It's hard to look somebody in the face and let them go. I'm not suggesting that people need to feel sorry for CEOs or executives who still have their jobs but who are letting other people go, but I'm just saying that in the best organizations, there's a cost even there.

**Michele:** Yes.

**Michael:** The best executives agonize over this. I mean, there were many sleepless nights I had over this very thing.

**Michele:** I'm sure.

**Michael:** First of all, I felt like I'd let these people down. If I had done my job as well as I could have, we wouldn't have been in that situation. Of course, in the economic downturn, yeah, there were probably different things I could have done, but there were also some macroeconomic factors beyond our control.

**Michele:** You can't control those. Yes.

**Michael:** But still... Somebody said to me one time, "Well, does it get easier the more you fire people?" I've unfortunately fired or laid off a lot of people in my lifetime, and I said, "No, it hasn't, and I hope to God it never does."

**Michele:** Yes.

**Michael:** Because then I'll know something has happened to my humanity.

**Michele:** Mm-hmm. That's very, very true. Okay, so that first step is to start with the outcome you want. This applies whether you are going through a firing process because of a layoff, something they did not deserve, or... Let's say somebody just had horrible performance. They were showing up late or skipping work or whatever it may be, and you need to fire them for that reason, but you still want to start with the outcome. What kind of ultimate outcome do you want to establish? What do you want to see?

**Michael:** Yeah. Well, exactly. Let me give you another example where we had to fire somebody. This wasn't a performance issue, though we've had plenty of those. This was really a moral turpitude issue.

**Michele:** Okay.

**Michael:** We had a gentleman in my division. I was a lower-level executive at the time. He was viewing pornography on his company-owned computer on company time. Now what was extraordinary about this was that he was in a cubicle. He wasn't in a cloistered room where he could close the doors and nobody would know what he was doing. He was in a cubicle, literally, and he got ratted out by somebody who just passed his cubicle.

**Michele:** And happened to see.

**Michael:** And happened to see. You began this episode by talking about how you go through a process, and you always do.

**Michele:** Uh-huh.

**Michael:** We went through a process, and we made it crystal clear that this was a very serious offense, that he absolutely couldn't do that. If he ever did it again, he was out of there. Frankly, it was the first

time it had ever happened. It probably wasn't the first time it had happened in the company, but it was the first time it was brought to our attention.

We were trying to frame policy around this as it was happening. We felt like, "Okay, we're going to warn him." Well, then he did it again. He clearly had a problem. Now the sad part about this (I hate to say this) is that he was a pastor on the side.

**Michele:** Oh, really? Okay.

**Michael:** We did the same thing. We went through the same exercise. "What do we want for this guy? What's the outcome we want? First of all, we want him to be crystal clear as to why he's being fired. We do want to be compassionate, but honestly, our intervention and the fact that we're about to fire him is probably going to be the very thing he needs."

**Michele:** It was probably the best thing for him at that point.

**Michael:** Well, I mean, honestly, you would think that getting caught the first time (obviously, this was a serious addiction) would have gotten his attention. And maybe it did, but he couldn't break out of it.

**Michele:** Yes.

**Michael:** I remember that in that situation, the executive who actually had direct responsibility for him lived in another state. I was there, so I just said, "Look. I think I need to do this," so I did. It was somebody from HR, the individual in question, and me. I mean, when I confronted him... Oh my gosh. He pled. I followed a format that I'm going to suggest to you here in a minute. I started with the conclusion. He said, "If my wife finds out, my marriage is over."

**Michele:** That's heartbreaking because you know he was really struggling.

**Michael:** It's heartbreaking.

**Michele:** Yes.

**Michael:** I said, "I feel terrible about that. I mean, I'm really sorry for that, but that's not really my responsibility to own. That's something that you probably should have stood up and taken ownership for long before now, and you're going to have to deal with it." But still, as far as we could, I wanted to do it with respect and with compassion.

**Michele:** Absolutely, and still treat him with value.

**Michael:** It wouldn't have been compassionate for me to let him continue at that point.

**Michele:** No, it wouldn't. I mean, that would have been more self-serving rather than him-serving.

**Michael:** That's right.

**Michele:** If you really cared about his best interest, at some point you did have to follow through on that.

**Michael:** Yep.

**Michele:** All right. Well, we're going to take a break. However, I want you to stick with us, because we'll be right back with several more steps on how you can go through an effective firing process without the relationship going up in flames.

**Michael:** As a busy and successful blogger, podcaster, author, speaker, and consultant, I'm constantly asked about the tools I use to get it all done. Now for the first time, I'm going to pull back the curtain and let you peek inside my toolbox to see the software and hardware I use for everything from blogging and podcasting to productivity, social media, and speaking, plus so much more. You can't buy *Inside My Toolbox*, but you can get it for free by subscribing to my free email newsletter.

When you subscribe, you'll receive my newest content right in your inbox. You'll never have to worry about missing an important post or update again. To get your free copy of the *Inside My Toolbox* ebook, visit [michaelhyatt.com](http://michaelhyatt.com) and enter your name and email address into the form on the page. Don't waste any more time or money using the wrong tools. Sign up today at [michaelhyatt.com](http://michaelhyatt.com).

**Michele:** All right, so after you start with the outcome you want and establish that, what would be the next step, Michael?

**Michael:** Well, this is something I used to see as an impediment and a needless bureaucratic obstacle, but it's vitally important. *Discuss your plans with HR.*

**Michele:** Okay.

**Michael:** If you don't have an HR department...

**Michele:** Like if you're self-employed like me and you have like two people... Just talk with yourself.

**Michael:** Well, it might be worth checking with some legal counsel.

**Michele:** Oh, true. True.

**Michael:** It depends on the gravity of the situation.

**Michele:** Or if you have a board. Some people (like in nonprofits) will have a board, and they can consult with them.

**Michael:** Therefore (maybe we should have put this in as a step too), know what the rules of engagement are, because larger corporations will require a process of remediation where you're trying to fix it, trying to address it. It's really not fair to the employee otherwise. No employee should be surprised when you fire them.

**Michele:** Oh, yeah. They should absolutely have known from several conversations that made it very, very clear.

**Michael:** Yeah. They're walking down this path that they've taken by choice. But you want to discuss the plans with HR because you have to get a couple of things squared away. First of all, you want to make sure you have the right process so you're pretty much litigation-proof. You don't want to come back and be sued, and there are issues sometimes when you're firing older employees. There could be a variety of situations.

You just want to be careful that you've observed the law to its fullest extent and given that person every consideration. You want to know what kind of severance you're authorized to offer (if any). You want to know clearly what the next steps are. The most important thing to know is what's going to happen once you deliver the news. Where does the conversation go from there? Are you going to direct them down to HR?

**Michele:** Yes. It's like the next step. Okay.

**Michael:** Are you going to give them a month? Are they going to be able to say goodbye to their colleagues? What are the next steps? HR can help you think through that.

**Michele:** Or are you carrying a box into the meeting and saying...? It happens sometimes.

**Michael:** I know. I can tell you that when I was at Thomas Nelson long before I became the CEO, there was a practice that was very old school. If you were let go, somebody from HR escorted you back to your office with a box.

**Michele:** Really?

**Michael:** You packed up. They waited for you to pack, and then they escorted you out of the building. To me, that is not acceptable. Maybe it is if you work for the CIA or some high-security facility, but that's just needlessly humiliating. That's not going to get you the outcome. That's evidence of somebody who wasn't clear on the outcome before they went into that or who didn't care.

**Michele:** Yes. Absolutely. Okay, so start with the outcome and discuss your plans with HR. What is that third step?

**Michael:** Okay, the next part is probably the difference maker in terms of this turning out well or not turning out well. That is to *create a set of specific talking points*.

**Michele:** This is all before the meeting.

**Michael:** All before. This is your preparation before you get into the meeting.

**Michele:** Okay.

**Michael:** If you don't do this, here's what you risk. You get into the meeting, and you get caught up either in that person's emotion or your own emotion, or you lose your sense of nerve.

**Michele:** I was just going to say, "Or you're like me, and you become a big old chicken and you totally backpedal. You just end up talking about the weather instead of diving into the conversation."

**Michael:** I mean, really, if you've done your job right up to this point, there should be no question (at least intellectually) in your mind that this is the last thing you can do. You don't have any other course of action. So to put yourself in a position (this has happened to me before) where the other person pleads, promises, begs, tries to negotiate... If you're not careful, you can be susceptible to being sucked into that.

**Michele:** True.

**Michael:** So I want to get clear on the talking points. Here's how I work it out. I start with the conclusion. You might notice that I'm big on getting clear on the outcome.

**Michele:** Yes, you are.

**Michael:** I want to start on the conclusion. This is the *what*. I always start the conversation... This is going to feel awkward for you.

**Michele:** This might feel a little awkward for me, okay? But go ahead and pretend you're firing me.

**Michael:** I would say, "Michele, the reason we're meeting is that I've come to the conclusion that I'm going to terminate your employment with our company. That decision is irrevocable. I've considered all of the options. I've evaluated them carefully. As you know, we've gone through a process here, and I don't really have any other option at this point. I feel like it's not only in the best interest of the company but in your best interest, so I'm therefore terminating your employment, effective immediately."

So I'm telling them exactly what, because there's nothing worse than being called into one of these kinds of meetings and somebody beating around the bush.

**Michele:** You're waiting for the axe to fall.

**Michael:** Well, because you know it's coming, and it's just like, "Tell me! Get to the conclusion!"

**Michele:** Yes. I agree. That alone is respectful.

**Michael:** That's right. But then also tell them it's non-negotiable, irrevocable. There's no need for them to plead, negotiate, or anything else. Let me tell you, when you deliver that news like that, they will be shell-shocked. Even if they've seen it coming, it's just kind of that moment of truth when it all happens right there. It all comes crumbling down around their feet, and whatever you say from that point forward is going to be difficult.

**Michele:** Yes.

**Michael:** I mean, they're probably not going to hear it, so that's why you want to get the most important news on the table first.

**Michele:** In case they shut down and just kind of stop listening at that point.

**Michael:** Yeah, and I don't want to get involved in a debate. I don't want to get involved in a negotiation. Again, this isn't up for discussion. By this point, I'm crystal clear with what has to be done. Then it's just a matter for me as a manager of whether or not I have the courage to follow through and whether or not I have the talking points and am just running down the talking points, even when I start to lose my nerve or feel like I want to backpedal. If I start with the conclusion, then I can't back up.

**Michele:** Mm-hmm. You've already said it's irrevocable.

**Michael:** I've already said it. That's right.

**Michele:** Okay.

**Michael:** So then I would go from there to the rationale. If the conclusion is the *what*, the rationale is the *why*. I would keep this really simple.

**Michele:** These are the reasons for the firing.

**Michael:** These are the reasons why.

**Michele:** Okay.

**Michael:** It's not going to sound like it to somebody who has been on the receiving end of this, but I'm doing this out of compassion. I want them to know the worst thing that can happen from my perspective... I don't need to do this as a manager, but I want to do this for their benefit. I would hate to leave a meeting like that and wonder, "Why was I let go?"

**Michele:** "What did I do wrong?" Yeah.

**Michael:** "What did I do wrong? I'm not clear."

**Michele:** Yes. I agree with that.

**Michael:** So I want to be clear.

**Michele:** Because you want to try to avoid it in the future, or at least I would. If I were in a firing situation, I'd be like, "I need to know what I did wrong so I can keep from doing it in the future. I don't want to go through this again."

**Michael:** That's right. The rationale in this situation could be as simple as, "I just want you to know that this has nothing to do with you."

**Michele:** I've been in that kind of layoff situation before, and just hearing that phrase... I almost needed to hear it a couple of times.

**Michael:** Yeah.

**Michele:** "I just want to say again that it has nothing to do with you." That was very powerful for me.

**Michael:** Well, especially in a layoff situation when you can follow that up by talking about what you're going to do on their behalf or how you're going to try to help them or whatever it may be, that can be hugely helpful too. But it might be, "Look. You've been chronically late. You haven't been showing up. You've been absent without an excuse. We've warned you about this. We've given you a written reprimand. For whatever reason, you've been unable to change that."

I had an assistant one time who I had to fire for this reason. I said, "I just have to have somebody who's here, and the fact that you're not coming in on time and that you've disappeared completely a couple of different times is just not acceptable. That's why we've come to this conclusion."

**Michele:** That's very short and sweet and clear.

**Michael:** Yeah. It doesn't have to be ten reasons. You don't have to justify it. That's not the purpose of this. That important.

**Michele:** Okay, that's an excellent point. When we get into this situation, especially if it's uncomfortable and we're nervous about it, we can get into the habit of being very, very defensive about why we're doing what we're doing, and that's really not the point of this.

**Michael:** That's right. You're going to lay these reasons out for their sake so there's clarity on that part, and you do need to provide some rationale for why. I mean, it's not just on a whim or capricious, but there's a reason behind it. Then I think that going to the process, the *when* and the *how*... When does this become effective? Is it effective now, or are we giving them a 30-day warning like in the case of a layoff or whatever?

I do think that in most situations, the faster you can do it, the more compassionate it is. If you want to allow more time, put more severance on the end of it so they can get on to their next assignment. Once somebody knows they're not on the team, even in a layoff situation, they're (understandably so) looking for their next opportunity.

**Michele:** Oh yeah. One foot is already out the door.

**Michael:** Yeah. Their head is not in the game.

**Michele:** Typically when it's time to make a change, you just have to make it as quickly as possible.

**Michael:** Yep. At this point, the other thing I would do in the talking points is (I'd really have these written) ask, "What are the benefits we're offering? What's the severance? What's the length of the severance? What are their benefits?" Sometimes you can actually just pump this to HR. If you're a large enough company, it's not a bad idea to have somebody from HR present with you.

**Michele:** Okay.

**Michael:** The only reason I don't like that sometimes (I probably would favor doing it most of the time) is that if you ever get called into a meeting with your boss and somebody from HR is there...

**Michele:** That's just... Yeah.

**Michael:** You know that's the curtains. Yeah.

**Michele:** It's so uncomfortable, and it can feel humiliating, especially if it's somebody from HR who you're not familiar with and don't have a relationship with.

**Michael:** Yeah. The value of it (unfortunately, a lot of companies have had to go to this) is just to kind of cover your bases legally and make sure you have a witness to the conversation.

**Michele:** Mm-hmm. All right, so start with the outcome you want, discuss your plans with HR, and create specific talking points. Those talking points include your conclusion (the *what*), your rationale (the *why*), and the process (the *when* and *how*). What would be the fourth step?

**Michael:** That's to *initiate the conversation*.

**Michele:** All right. These first three steps are literally all the prep before you even meet face-to-face.

**Michael:** That's right.

**Michele:** Then starting with the fourth one, that's the face-to-face interaction.

**Michael:** Yeah. Now it's time to schedule this meeting. It's important to do it as soon as your heart knows, as soon as you know and have come to the conclusion you're going to do it. Because here's what happens. That conclusion will leak out of our systems. I'm not talking about a literal leak in an organization, but I'm talking about how your nonverbal clues will give you away.

**Michele:** It's like you can't help but hint at it even when you're trying really hard to keep it to yourself.

**Michael:** That's right. You can't. You won't look the other person in the eyes. There are just a lot of things that will happen no matter how hard you try, so the shorter the time is from the decision to the time you actually deliver the news, the better.

**Michele:** Mm-hmm. Okay. That's good.

**Michael:** There have been a lot of times when I haven't set this meeting far in advance. Sometimes it would be the day of, particularly in a large layoff situation. I mean, you want to create trauma in an organization? Start calling random meetings with a whole bunch of people you don't usually meet with, and schedule them two weeks in advance.

**Michele:** Oh gosh. Yes.

**Michael:** Then the whole organization is just freaking out for two weeks. They kind of know it can't be good.

**Michele:** Talk about zero productivity during that two weeks.

**Michael:** That's right. So the shorter the time can be... Again, I think that the more humane it is, the more compassionate it is... There's nothing worse than not knowing.

**Michele:** Yes. Make a decision and then execute it.

**Michael:** Deliver it. Yep.

**Michele:** Yep. Absolutely.

**Michael:** You have to initiate that conversation. Again, this really comes down to courage, but go ahead and schedule it. Get it on the calendar. Have your talking points and all of this other preparation, and go into it and start the conversation.

**Michele:** All right. Moving on to the fifth step... What would that be?

**Michael:** Well, I would *be firm but compassionate*. You need those two things: firm in that you're not going to budge. Some people (not everybody; in fact, I would say they're the minority) will test your resolve. They just want to see if you really believe this or you can be talked out of it, so you have to be firm, and you have to be clear before you go in.

Sometimes it helps to have kind of an accountability partner, somebody in HR or maybe even your boss, but somebody who you're going to report back to after the conversation, so you're going to follow through. But then also be compassionate. If somebody wants to vent (sometimes that happens), they want to give you the why...

Or maybe it's a layoff situation and they're just stunned, and they had no idea, and what are they going to do? Be compassionate. I've prayed with people in those meetings. I've listened to them as they've cried.

**Michele:** It's so hard.

**Michael:** It can be an extremely tough situation, but I think you have to be compassionate. You have to be a little bit open to what happens, but you have to be firm in your resolve to follow through.

**Michele:** All right. So be firm but compassionate. Then the final step is...?

**Michael:** I'd say it's to *follow up with the individual*. Here's what I mean by that.

**Michele:** You're talking about like a week or two weeks later?

**Michael:** Yeah.

**Michele:** Okay.

**Michael:** Whether it's to write them a note if you can, write them a letter of recommendation... There are situations sometimes where the person just wasn't a right fit. Maybe it looked like performance, but it was just because they weren't the right fit. But for the right fit, you could give them a letter of recommendation if they were in another position where they could really utilize their gifts.

But just reach out and have some contact with them. Again, it could be a written note. It could be a phone call, which is what I would prefer. Give them a call and say, "Hey, I just want you to know I'm thinking of you. How's it going? Have you found anything yet?" There were people, particularly in the recession, who I reached out to every couple of weeks for months.

**Michele:** Really? Because it just mattered to you?

**Michael:** Yeah, just saying, "Okay, well, let's try this." I was just trying to help get them placed. Again, our outcome (specifically in a layoff) is to get those people placed.

**Michele:** Exactly. This all goes back to the established outcome you make at the very beginning.

**Michael:** Well, here's my goal. I want to be able to see that person in public months after this and not feel awkward. I want to feel like I can give them a hug. I'm a hugger. I want to give them a hug and them not have any animosity toward me. I can definitely see them saying, "I hated that situation. I

didn't want to be let go, but I can honestly say the company did everything they should have done to make sure I was taken care of and to really help me on to my next assignment."

**Michele:** Which is what you want.

**Michael:** That's what you want.

**Michele:** I mean, if somebody leaves an organization... Of course we value people and we want them to have a good experience, but just purely speaking from a business standpoint, it doesn't do you any favors to handle this incorrectly and have people who hate the company out there in the world and talking about it.

**Michael:** Absolutely. Personally, I believe I have a higher accountability, ultimately, to treat people well and treat them with respect. So I would do that regardless of the consequences, but you can't go wrong when you treat other people like you'd like to be treated in that same situation.

**Michele:** Yes.

**Michael:** So just imagine yourself in that same situation. How would you want to be treated?

**Michele:** Now I would imagine... My gut feeling is that any of these kinds of conversations really need to happen face-to-face. Of course, I'm sure there are some instances when, if you're working remotely with people, it may not be able to happen. But I would say that even if you have to fly somewhere, if you're going to fire somebody, face-to-face is really what you need to do.

**Michael:** Absolutely.

**Michele:** This is not a phone call and definitely not an email or anything like that.

**Michael:** I had another situation (this was maybe 30 years ago) early on in my career. It was with another company. It was another recession, and they decided to lay off five of the people on their sales force. The sales manager, rather than doing what you're talking about, rather than at the very least picking up the phone and calling... He should have flown out and met with each one of them individually. He didn't do that. Instead he sent them a letter.

**Michele:** Oh no!

**Michael:** They got literally a letter in their mail at home saying that their job had been eliminated.

**Michele:** Oh.

**Michael:** The damage from that is unbelievable. It affects the entire company's morale. That becomes legendary.

**Michele:** Oh, those are the kinds of stories that are told and retold and retold.

**Michael:** Oh, absolutely. But that's what we have to realize as leaders. We are creating these stories, so what's the story you want to be told about how you dealt with these people when the chips were down?

**Michele:** That's so powerful. Again, today we're talking about how you can go through a firing situation without causing the relationship to go up in flames. I think we have some really good steps here to go through. This isn't anything that any one of us really wants to do. It's not something we look forward to. However, it can be successful.

Again, those steps are to start with the outcome you want, discuss your plans with HR, create specific talking points, initiate the conversation, be firm but compassionate, and follow up with the individual. If you've enjoyed today's conversation, you can get the show notes and a full transcript of the entire episode at [michaelhyatt.com](http://michaelhyatt.com).

For those who'd rather watch instead of listen, we also have the entire video posted at [michaelhyatt.com](http://michaelhyatt.com). Could you do us a favor? We'd love for you to head on over to iTunes and rate the show. This is very key in getting this content into the hands of people who truly need it. We'd be very grateful. Any final thoughts on this subject, Michael?

**Michael:** Well, like most things that are difficult, it's easier if you lean into it rather than resist it.

**Michele:** Mm-hmm.

**Michael:** Don't avoid it. Just do it well. Purpose that you're going to do it well, and it'll be better for everybody.

**Michele:** I'd love to hear some feedback from people who actually go through this.

**Michael:** I would too.

**Michele:** I would like to hear kind of what their experiences have been.

**Michael:** Yep.

**Michele:** Well, thank you again for being with us today.

Until next time, remember: Your life is a gift. Do what matters.