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## **ARTICLE** **FIRING**

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*by David Siegel*

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TIM ELLIS/GETTY IMAGES

Every manager knows the termination playbook: Be direct, keep it short, walk the employee out the door, shut down access to email, and so on. Having led three businesses, managed thousands of employees, and overseen hundreds of terminations, I had always followed the playbook drilled into me by legal and HR professionals.

A couple of years ago, however, I decided to try a new approach, one that that is both more humane and better for the company culture and the business. I call it “transparent separation.” With transparent separations, you don’t blindside an underperforming employee or fire him outright.

Instead, you encourage him leave to on his own by letting him know he is going to be let go in time and needs to start looking for a new job ASAP. I have now had this conversation with many employees, and the results have been radically different from the response I received in the past. With this approach, inevitably I am thanked.

Before I walk through the benefits of transparent separation, let's look closely at how it's done:

As with a typical termination, ambiguity is unacceptable. Be clear that your decision is final (presumably the discussion is coming after a performance improvement plan has been in place, but the needed improvement has not materialized). This clarity encourages the employee to start a job search immediately rather than trying to negotiate with you about keeping their job.

I don't recommend setting a strict departure deadline at first, but I do provide a timeframe for clear progress on the job hunt — typically six weeks for more junior employees and two to three months for senior ones. I also ask that the employee keep the arrangement confidential. If by the end of this search period the employee is not close to landing a job I will then set a hard-and-fast deadline for finding one. The date will depend on the employee's level of contribution and where we are in recruiting a replacement. Ideally, you want the replacement to step in before or at the same time the departing employee leaves.

Employees of course have to be allowed to leave the office during work hours for interviews or other search-related activities, but I ask that they minimize these absences and keep them brief to avoid raising questions. And I make clear that their performance during this search period may not suffer.

Finally, I actively help the employee during this process. I have reviewed their resumes at their request, made introductions and offered to serve as a reference. Though the employee isn't a good fit for your company, they may be a great fit for another one. Helping them encourages trust and continued hard work and increases the chance they will find a new role quickly and land on their feet.

There are three key constituencies who benefit from this approach. Departing employees, their managers, and a group that is seldom considered when someone is cut loose: the rest of the employees.

### **How departing employees benefit**

Simply put, it is far easier to find a job if you're already employed. Unemployed candidates are unfortunate victims of a natural bias during the hiring process; although it's unfair, hiring managers are more likely to consider employed talent than to dig through a proverbial wastebasket of discarded staff. And asking someone to start looking for a new job elsewhere while still employed by you helps preserve their dignity and reputation, benefits that will serve you as well.

## **How managers and the company benefit**

There are five key payoffs for managers and the firm when they give an employee time to find new work:

*Improved relationships:* It may be hard to believe, but my relationships with employees who have gone through transparent separations have often actually strengthened. I recently hired a woman I had worked with some time ago. For a variety of reasons that were not entirely her fault, she struggled in the new position. Our personal relationship became so strained that we started avoiding each other because we were both disappointed and somewhat embarrassed by the situation. After I informed her that she should start looking for another job, she so appreciated the heads up that our personal relationship quickly returned and I served as a reference for her in finding a new role.

*Enhanced reputation:* It makes employees chronically anxious when their managers are known for abrupt firings. With transparent separations, managers aren't cast in this adversarial role; departing employees talk about the new job they're leaving for rather than about being blindsided by a surprise termination.

*Smoother transitions:* Separations that give an employee time to find a new role also give managers time to hire a good replacement. And in my experience, employees do keep working to the best of their ability to the end; I have had only one employee who blatantly checked out. (Because this person clearly broke our agreement, I had to accelerate his transition.)

*Reduced legal risk:* Many terminations risk litigation, and a manager's responsibility is to minimize this. Employees may sue when they are angry, when they feel they've been treated unfairly, or when they're struggling to find work and a lawsuit seems like a way to make ends meet. If an employee has the time and support need to find a new job and does, the threat of a lawsuit plummets.

*New customers and clients:* Transparent separations can benefit any relationship-based business. In consulting, law, advertising or accounting, any terminated employee can become a client, but they're more likely to do that if their departure was positive and handled humanely. Conversely, an angry terminated employee may seek to undermine you from their new position, taking clients with them, for instance, or, if they join one of your client's firms, seeking to sabotage your relationship with the client.

## **How all employees benefit**

Every employee has experienced having a colleague "disappeared." Your friend and colleague is sitting next to you one day, and the next the seat is empty, the photo of his smiling family replaced with an anonymous potted plant. People whisper furtively about the departed, and managers dodge the awkward questions. Nonetheless, surviving colleagues will inevitably learn the truth, including whether the termination was abrupt and out of the blue, or expected and respectfully handled. As mentioned, employees who feel they can be blindsided by a termination at any time are chronically a bit anxious. In my experience, they respond to the persistent threat they feel by being more self-

promotional and political, avoiding disagreement with their managers, and avoiding innovation because failing feels so risky. Employees who feel safe from the threat of unexpected termination tend to be happier, more creative, and less likely to preemptively leave.

I've found that transparent separations are a good strategy in about two thirds of cases. But there are a few situations where I avoid this approach. One is when a company is doing a mass reduction in force, laying off a swath of employees. In these cases, is not always feasible to provide transparent separation to everyone, and if you can't provide it to everyone, then it's not advisable to provide it to a few. Among other things, treating people being cut loose in different ways has legal ramifications. Another situation where transparent separation won't work is when an employee is being let go because of an active problem that is harmful to other employees or the company, rather than, simply, because of suboptimal performance. For example, if a manager's toxicity is having a negative impact on his or her employees, the manager needs to leave. Immediately. However, in my experience most terminations are not because of active problems, and so transparent separation is the better choice.

As I was writing this article, I called some colleagues in other companies to see how common — or not — transparent separation might be. By coincidence, my mentor of 20 years, who is the CEO of a major e-commerce business, recently began transparent terminations himself. Although for both of us the approach has been more successful than not, we are clearly in a minority in using it at all.

While I don't believe transparent separations are a panacea and should be employed in all cases, I do think they are highly underused given their low risk and great benefits. I'd advise all managers to try the experiment — making them the de-facto approach for most separations. The positive outcomes will speak for themselves.

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