

Global Project Strategy (011) (603) 862-3374

## How to Layoff Project Team Members

*In surgically clean approaches to layoffs everyone feels tainted, but there is a better way. However, it takes real courage.*

One of the most difficult steps a project manager has to take is laying off team members or terminating someone whose job performance does not meet standards.

Sometimes only one or two people are affected but it is not unexpected in this economy to find that some projects are killed and the entire team is furloughed.

The job of letting people go is so difficult and so uncomfortable that many project managers want to deal with it at arm's length.

And who can blame them?

As a result, they are more comfortable with a surgical strike in which the affected individuals are told they are terminated, turned over to HR, and escorted to the parking lot.

Sometimes this happens in a matter of hours.

It is a painful process for everyone, both the managers who are bearers of bad news and certainly those affected by the news.

Further, it is a process that leaves the managers feeling very uncomfortable

with what they have done, and it leaves those who are fired angry with their boss and company.

Is there a better way?

It turns out that we have some hard evidence that there is a much better way. It doesn't necessarily change the end result but it treats team members in a more humane way, earns significant goodwill for the company, and helps those who are left behind.

Here are a few examples.

When Beth Israel Deaconess Medical Center in Boston was faced with a shortfall in patient revenue, the CEO Paul Levy chose to present the dilemma to his staff.

At a series of three meetings he explained the hospital's plight. Revenues would not cover costs, and cuts had to be made. There were few choices since 70 percent of hospital costs can be traced to staff salaries.

At these meetings he asked for help. Where could costs be shaved? Would the group prefer pink slips, vacations with no pay or salary cuts? Could they help him find

ways to solve this problem in a way that could minimize hardship?

Levy explained after the meetings that the suggestions he received were very helpful.

While cuts still had to be made, everyone felt they had contributed to their own fate.

Many years ago, the CEO of a Casino in Las Vegas was also confronted with the task of downsizing. He too called a meeting of the staff and shared with them his dilemma.

It was a very difficult meeting. People were angry and were quite vocal in their criticisms. But he refrained from turning defensive and listened to what everyone had to say. In a Harvard Business Review article he said, "You have to be hard on the problems but soft on the people."

Sure these are uncomfortable situations for management, but those who can maneuver through situations being both hard on the problem and soft on the people are apt to produce outcomes that are more productive for the company, those terminated and those who survive.