

# *The Emotional Tightrope Of Downsizing:* Hidden Challenges for Leaders and their Organizations

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*It's a very uncomfortable feeling. Anyone who tells you that they don't mind laying people off — in my humble opinion, I think is crazy. (Manager at Apparel Inc.)*

*It is never easy to terminate anyone. It is the worst thing that I have had to do as a manager. (Manager at Apparel Inc.)*

Few people enjoy causing pain to others. Yet this is precisely what business leaders must do when they make the difficult decision to downsize their organization. Downsizing represents one of the most challenging tasks that business executives can face, because of the human costs involved. It is also one of the most common. In today's corporate world, downsizing has become a fact of life. Because employee costs exceed 40 percent of a company's budget, downsizing is often a necessary method of cutting costs to remain profitable in difficult economic times. According to the outplacement firm Challenger, Gray & Christmas Inc., over 16,000 U.S.-

based companies announced layoffs between the years 2000–2005, affecting more than 7 million workers. Some recent examples include Hewlett-Packard Co. (15,000 workers), Bank of America (4,500 workers), General Motors Corp. (30,000 workers), Ford Motor Co. (30,000 workers), and DuPont (3,500 workers). What was once an American phenomenon has now globalized, as major European corporations such as France Telecom (7,500 workers) and Fiat (7,600 workers), and Asian corporations, such as Mitsubishi (9,900 workers) and NEC Corp. (15,000 workers), are using downsizing as a cost-cutting measure. The imperative to downsize is an unfortunate reality of business. How to downsize has therefore attracted a lot of attention.

## THREE RISKS OF DOWNSIZING

How downsizing is carried out brings with it three risks. One is that the message will not

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be delivered clearly to layoff victims. At Britannica.com, Encyclopedia Britannica's online website, executives managed the downsizing process by gathering 27 anxious employees, already rumored to be on the chopping block, into a room to deliver the news. According to eyewitness accounts, it took the executive in charge 12 rambling minutes of discussing the future of the company to get to the point. According to one affected employee: "That made me furious. I thought, either he's an idiot or he's the most insensitive person."<sup>1</sup> That fury can easily lead to the second risk of downsizing. Companies can provoke laid-off employees to seek vengeance, through acts of vandalism or theft, or through wrongful-termination lawsuits. A third risk is that downsizing can deflate the morale of surviving employees.

Organizational leaders now recognize that treating affected employees with fairness, dignity, respect, and compassion can reduce all three risks. Two recent landmark studies on best practices in downsizing document the benefits for managers, victims, and surviving employees. The 1997 Federally Funded Benchmarking Study on Effective Downsizing Practices and the Conference Board's 2002 Benchmarking Study on Compassionate Downsizing both emphasized the importance of treating people with sensitivity and respect during downsizing. What precisely does this form of treatment consist of? Researchers have found three components to be vital: procedural justice, interpersonal sensitivity, and thorough explanation. Procedural justice refers to the consistent application of the same practices across all individuals, practices that include opportunities for all parties to voice their views. Interpersonal sensitivity refers to caring, compassionate, and respectful treatment that recognizes the dignity of every individual. Thorough explanation entails giving people a sensible, open, and honest account of what is happening to them and why.

<sup>1</sup> Salon Technology & Business Staff. (2001, January 25). How the ax falls. *Salon.com*. Retrieved January 7, 2006, from <http://www.salon.com>.

The cost can be high to companies that disregard advice to extend consistent, caring, and respectful treatment to all layoff victims. Allan Lind of Duke University and his colleagues at Ohio State University found that downsized employees who felt mistreated were far more likely to pursue wrongful termination claims, which, according to a 1988 study by the Rand Corporation, can run companies over \$100,000 per suit to defend. Lind and his fellow researchers found that employees who felt they were treated unfairly or disrespectfully, or who were not given a full explanation for their termination, pursued claims at a far greater clip (between 15 and 20 percent) than employees who felt that they were treated well (2 percent).

In addition to pursuing lawsuits, disgruntled employees vent their anger in less refined but equally costly ways. At Hewlett-Packard's Sacramento, California computer assembly facility, a former worker—dismissed from his job in what he felt was a demeaning and insensitive manner—entered the facility illegally with a gun, took a supervisor hostage, and caused significant structural damage to the facility. In a recent case reported in the *New York Times*, a longtime employee laid off from a New Jersey chemical company sabotaged the company's computer system, causing over 20 million dollars in damage. What drove him to do it? Disrespect in how the layoff was handled, described in a note he wrote to the president of the company:

I have been loyal to the company in good and bad times for over 30 years. I was expecting a member of top management to come down from his ivory tower to face us with the layoff announcement, rather than sending the kitchen supervisor with guards to escort us off the premises like criminals. You will pay for your senseless behavior.<sup>2</sup>

<sup>2</sup> Tahmincioglu, E. (2001, August 1). Employers maintaining vigilance in the face of layoff rage. *New York Times*. Retrieved January 7, 2006, from <http://www.nytimes.com>.

What can drive people to such extreme measures? A third case lends insight into the psychology behind these layoff victims' actions. A website executive for a West Coast company described how she was treated when told that she was losing her job:

She [the guard sent to escort her out of the building] said you need to leave the building and I said well, let me just collect a few things and say good-bye to everybody. She said, no, you need to come. I said, what are you going to do, drag me out of the building? It made me feel like a criminal – like I had done something wrong.<sup>3</sup>

The utter humiliation that layoff victims experience when they are treated callously and disrespectfully can lead to their disruptive reactions. Yet even if the costly risks of vandalism, sabotage, and lawsuits are avoided, downsizing done wrong also has less visible costs. Humiliation is not only felt by the downsizing victims, but seen by fellow employees whose jobs are spared. For this reason, Joel Brockner of Columbia University has found that treating departing employees with dignity helps companies reduce the drop in survivors' morale, productivity, and commitment.

## **WHY DISRESPECT SO OFTEN PREVAILS**

With such clear costs of treating people poorly during downsizing, it seems surprising how common it is. But a closer look at best practice indicates why mistreatment during downsizing is so common. Best practice tends to neglect the experience of the managers performing the layoff. And it is the conduct of these very managers that determines whether laid-off employees feel respectfully treated or not. Despite their crucial role in downsizing,

<sup>3</sup> (2002, August 15). Dirty work: The art of firing employees. *NPR's Morning Edition*. Retrieved January 7, 2006, from <http://www.npr.org>.

managers who deliver the message have been largely neglected by researchers and best-practice guidelines. We still know little about the emotional challenges they face in delivering downsizing messages, how they can cope with these challenges, and what organizations can do to support them.

Considerably more attention has focused on victims and survivors of layoffs – and for good reason. These individuals incur great losses and can experience intense emotional and physical pain. Yet, performers too are negatively affected by downsizing, and their conduct determines whether victims and survivors of downsizing will experience compassion and dignity or callousness and injustice. These managers are the conduits of organizational efforts and policies, and their own emotional experience of downsizing influences how those efforts and policies are implemented. The managers conducting downsizing conversations must be capable of managing their emotions, so they can communicate messages with dignity and respect. Otherwise, organizational efforts to extend fair and sensitive treatment to layoff victims will backfire. Overwhelmed by emotion, managers charged with delivering the news will stumble and run the three risks that loom with every downsizing.

## **DOWNSIZING AT APPAREL INC.: A CASE STUDY OF PERFORMERS' EXPERIENCES**

To better understand the challenges that managers on the front lines of downsizing efforts face in delivering messages with dignity and respect, we conducted a study of a Fortune 500 company that we call Apparel Inc. (we disguised the corporation's real name to preserve confidentiality), which laid off 150 employees in 2001 as a result of corporate restructuring. We gained access to Apparel Inc. several months after the company laid off employees, and conducted 21 in-depth one-on-one interviews with line managers and human resource professionals who together delivered the layoff notices to

affected employees. We also developed close working relationships with three key informants in the organization, one manager and two human resource professionals. They provided us with additional background information, responded to our questions, and directed us to additional resources that would provide insight into the challenges of handling layoff conversations, such as the training materials used by the organization.

### Careful Preparation

Apparel Inc.'s efforts to treat employees with procedural fairness during layoffs and terminations could be described as best practice. First, the company offered a generous severance package and outplacement support, which, by all accounts, was above industry standards. Second, the company educated its managers about the compelling business reasons for the layoffs, so that they could convey these to all employees, layoff victims and survivors alike. Third, the company provided training to managers about how to present the layoff message in a respectful manner. The company developed a common script, which embodied respect and compassion, and gave managers opportunities to practice the script in role plays. By carefully orchestrating the layoff, Apparel Inc. hoped to reap the documented benefits of a fair, caring, and respectful approach.

### One Key Oversight

Our focus in this paper is on one critical element that Apparel Inc. overlooked in its efforts to ensure procedural fairness in the termination process: the emotions of the *managers* delivering the layoff notices. Leaders at Apparel Inc. insisted that managers treat affected employees with dignity and respect. Executives even participated in training the managers who would directly deliver the news, and they underscored the importance of dignity and respect. But the organization did not prepare managers for the emotional challenges they would face in actually deli-

vering these messages. As a result, many managers were unable to deliver the fair and compassionate treatment that the company deemed essential to the downsizing process. Why did this happen and what can leaders do to avoid the unintended consequences of unmanaged emotion? We address these questions by examining the case of Apparel Inc. more closely, as well as other reported cases from the popular business press and academic research.

### THE EMOTIONAL DIFFICULTIES OF DELIVERING A DOWNSIZING MESSAGE

Both line managers and HR managers at Apparel Inc. reported difficulty handling layoff conversations. For line managers, the experience was challenging for two reasons, their limited experience with dire personnel situations and their existing relationships with the affected employees. Many managers had genuine friendships with their direct reports, and knew or had met their employees' families. Although HR managers tended to have more experience with terminations than line managers, they nonetheless found downsizing conversations to be difficult and emotionally unwieldy. An HR manager with years of experience handling layoff conversations made this point: "It's a pretty horrific event, frankly. It's not easy and it's never easy to get used to." HR managers and line managers alike reported experiencing a range of negative emotions, often at a high level of intensity. Emotions ranged from anxiety and fear to sympathy and guilt – sometimes, even shame. One manager described the physical effects of anxiety both before and during the event:

Internally there is a nervous stomach, you feel on edge. Sometimes you get physically nauseous or headache. Very often the night before or after you have very bad dreams that are not necessarily related to the

downsizing itself, but from that stress. There is a degree of nervousness that almost makes you have to step back and say, "I have to be calm, I can't show that I am nervous about delivering this message."

Alongside anxiety, managers conducting layoffs experience sympathy and sadness. One manager explained: "It is very difficult from an emotional standpoint knowing you are dealing with somebody's livelihood, dealing with somebody's ego, dealing with somebody's ability to provide for their family." Another manager concurred, emphasizing how distressing it can be to deliver the negative news:

If I am about to cry because this is upsetting me as much as it is upsetting the other individual, I am definitely going to try not to cry. But the emotion that I feel is genuine in terms of the unhappiness or the sorrow that I am feeling that I have to deliver this message to someone.

Feeling anxious and sad, managers then get bombarded with feelings of guilt and shame. An executive at an Internet startup described this cascade of emotions when she had to downsize her entire work staff following an unsuccessful round of venture capital funding. The executive described the fear and anxiety she felt in anticipation of the layoff:

I agonized over what the employees' reactions would be. I feared tears, outbursts of anger, accusations of leadership gone awry. I had watched TV interviews with disgruntled employees of failed start-ups. I had read the message board postings of those freshly ejected from flailing new-economy businesses. The disillusioned are not a happy bunch.<sup>4</sup>

<sup>4</sup> Jeffrey, J. (2001, April 15). The day I killed my dot-com. *Salon.com*. Retrieved January 7, 2006, from <http://www.salon.com>.

Shame and guilt soon followed when the executive actually delivered the message to one of her most trusted employees:

Included in the first group was employee No. 5, who had been with the company almost from the beginning. She helped me pick out the Ikea furniture; she accompanied me to Costco for the first load of sodas and pretzels for the kitchen . . . She liked to talk about what could happen when the company made its IPO and we all became rich. The news shocked her. Her eyes widened and then filled with tears. I handed her the tissue box before I looked away. There was nothing comforting to say. I felt small and incompetent.<sup>5</sup>

## FIVE DYSFUNCTIONAL CONVERSATION TYPES

The experience of delivering a downsizing message unleashes a surge of emotion that catches managers by surprise. Those emotions then threaten to derail managers from the path they are trained to follow. In their attempts to regain their emotional balance, managers stray into treacherous downsizing conversations. They either indulge their emotions or they shut those emotions down entirely. When they indulge their emotions, letting those emotions direct behavior, managers risk straying into one of four counterproductive conversations: bargaining, cushioning, unloading, or arguing. When managers shut down their emotions, they risk "mechanizing" the downsizing conversation, producing behavior that is overly rigid and robotic. Any of these outcomes undermines fair, sensitive, and respectful treatment. We now describe and illustrate the five counterproductive conversation types.

<sup>5</sup> Ibid.

**TABLE 1 FIVE DYSFUNCTIONAL CONVERSATION TYPES**

CONVERSATION TYPE	DESCRIPTION	EMOTIONAL TRIGGER	OUTCOME
Bargaining	Manager negotiates details of the layoff and offers special accommodations to relieve employee's distress	Sympathy, Guilt, Anxiety	Jeopardize consistent treatment across all employees
Cushioning	Manager softens the news of the layoff to relieve employee's distress	Sympathy, Guilt, Anxiety	Message not delivered and subsequent delivery generates worse feelings
Unloading	Manager is overwhelmed by emotion and relieves it by releasing it during the layoff meeting	Guilt, Sympathy, Anxiety	Message not delivered, sensitive treatment not accorded
Arguing	Manager fights back when employee confronts or blames	Anger, Frustration	Sensitive treatment not accorded
Mechanizing	Manager relieves own distress by delivering message rigidly or rapidly	Anxiety, Sympathy, Guilt	Sensitive treatment not accorded

### Dysfunctional Conversation #1: Bargaining

A common suggestion for handling termination conversations is to avoid negotiations at all cost. According to one group of corporate executives and outplacement experts, managers should "say what you have to say, say it clearly and don't say any more. Prolonging the meeting allows the employee to believe he is involved in a negotiation – that there may be a way out. When he realizes there isn't, he will feel betrayed."<sup>6</sup> Apparel Inc. gave the same advice to managers in its corporate training manual, as did Times Mirror Co. when it announced staff reductions at the Los Angeles Times several years ago. According to John Challenger, chief executive officer (CEO) of outplacement firm Challenger, Gray & Christmas, Inc., termination conversations that last longer than the ideal 15 minutes or so are often ones in which managers are lured into negotiations with employees about the merits of the downsizing.<sup>7</sup>

<sup>6</sup> (2001, April 15). Fire right: 10 secrets to letting people go with dignity. *CIO.com*. Retrieved January 9, 2006, from <http://www.cio.com>.

<sup>7</sup> Vilano, M. (2001, April 15). How to fire people. *CIO.com*. *CIO.com*. Retrieved January 9, 2006, from <http://www.cio.com>.

Although managers at Apparel Inc. knew that they were not supposed to bargain with employees, they still found it difficult to avoid negotiations, especially when employees were very sympathetic and highly persistent. In these cases, managers worked hard to avoid what they called the "but why" conversation. As one manager explained:

You get into this thing about "but why." And you can't answer about why. Because by the time you are explaining to someone why they got picked over someone else, you have made multiple decisions in terms of skills, performance, position, business need and you are going to get yourself into a loop that the person will not understand. So often when managers try to start to explain they get into the "but why" loop. And they can't get out of it.

To avoid negotiations, according to one Apparel Inc. manager, it was critical to "get the words 'final decision' out in your first breath, because, if you don't, people want to bargain." Yet doing so was not easy. Some employees were persistent in negotiating the terms of their deal. They would negotiate about the amount of time they could take to gather their things before leaving the

building, or about whether they could finish a project they were working on.

On the one hand, these acts of accommodation seem like natural extensions of caring and respectful treatment. They also seem minor and an especially convenient way for managers to express sympathy and soothe their own guilt. On the other hand, these gestures undermine the company's efforts to administer a consistent approach, which is crucial for victims' and survivors' sense of fairness. Worse yet, rather than calming raw emotions of laid-off employees, these special gestures can ignite more intense negative feelings when they inevitably must be rescinded in the name of consistent, fair treatment. As one Apparel Inc. manager remarked, by "acting out on your own" you actually "cause more pain and suffering for the person than you do good."

### **Dysfunctional Conversation #2: Cushioning**

Although the Apparel Inc. training manual emphasized the importance of being "clear, direct, and up-front" when delivering the layoff message (the fact that you're being terminated must be communicated in the first 10 seconds), some managers were unable to follow this advice and, instead, felt compelled to try to cushion the blow for victims. They did so by softening the harsh message, or by delivering it in an indirect manner. One manager described a case in which another manager's attempts at cushioning the blow ended up confusing the employee and prolonging his agony. Instead of following Apparel Inc.'s script for telling the employee that he was terminated, effective immediately, the manager attempted to cushion the blow by approaching the negative news more indirectly. According to the first manager who witnessed the event, "the manager (performing the layoff) rambled, saying something like 'we've had some difficulties at the company with sales and I've noticed that your effort hasn't been 110 percent . . . some deliveries haven't been on time, we need to go in a different direction and

make some changes.'" According to the witnessing manager, the manager performing the layoff "felt better about himself by providing all these details – that his actions were justified, but from the point of view of the person being laid off on the other side of the table, they have no idea what's going on. They don't understand the context, and the manager was stringing him along unnecessarily. The fact that you're being terminated has to be in the first 10 seconds."

Another poignant example of cushioning the blow was described by Laurence Stybel and his colleagues in their research on executive dismissals. The president of a company tried to cushion the distress of a fired executive, only to see it all backfire. He told the sales executive that he was "too high powered for the job" and that "we've got to look into getting you a better match between your high abilities and a reasonable job."<sup>8</sup> The executive, who understandably did not receive the true meaning of the message, showed up to work the next day unaware that he had been fired. Although the president in this case intended to care for the employee by softening the impact through euphemisms, he ended up delaying the inevitable, making the message ultimately more difficult to communicate and, for the employee, more humiliating.

### **Dysfunctional Conversation #3: Unloading**

Sometimes the distress of delivering a layoff message was so great that managers simply had to unload their negative feeling to reduce their distress. A manager from Apparel Inc. described this experience:

You deliver the message in this kind of hurry panic way, there I said it, I got it out, I freed myself of the burden of that news and now it is yours. They just look at you and burst into

<sup>8</sup> Stybel, L. J., Cooper, R., & Peabody, M. (1982). Planning executive dismissals: How to fire a friend. *California Management Review*, 24: 73–80.

tears. Then you feel totally helpless to assist them.

Although, as we discuss shortly, unloading emotion *before* or *after* a conversation was often a useful means of coping, unloading emotion *during* the conversation was inappropriate and dysfunctional because it indulged the needs of the manager, rather than those of the affected employee. In some cases, however, managers could not stop themselves from unloading their emotion. An HR veteran at Apparel Inc. acknowledged his own collapse into tears during an especially difficult layoff. Someone he had recruited from another stable job was laid off when her new division was abruptly closed. In his one-on-one meeting with her to deliver the news, the HR manager simply could not get the words out before he began to cry. In another example of unloading, reported by one manager present during a second manager's conversation, the second manager literally cried while terminating her employee:

[A] manager I dealt with here, broke down and cried. Cried during the training sessions. Got too emotional herself. Cried during the delivery of the message. I felt that that person did not display the managerial or directorial responsibilities that they have to the company. Got too emotional and too personal.

#### **Dysfunctional Conversation #4: Arguing**

Whereas sympathy and guilt were triggers for a manager to bargain, cushion the blow, or unload emotion, anger was the trigger for arguing, a fourth dysfunctional conversation form. Managers were especially vulnerable to arguments when an employee responded with anger and outrage to the negative news. Recognizing this possibility, Apparel Inc. advised managers to "listen, wait for the employee response, restate the message, and keep to the script." Neverthe-

less, some managers still reported feeling the impulse to fight back, an impulse that fueled an argument and undermined the perceived fairness of the process. As one manager recounted: "My heart was racing and my mouth was dry 'cause it was a very emotional confrontation, probably the most heated part of the meeting, the highest part of emotion on her part." Instead of joining the employee in an argument, however, this particular manager was able to avoid a confrontation: "I had to hold back. I had to say it very methodically." Another manager had a personal mantra for resisting arguments: "Not to raise my voice. Not to get angry. Not to show impatience." Of course, getting into an argument was inconsistent with how managers were expected to treat employees, and in the cases where it occurred, undermined Apparel Inc.'s efforts at procedural fairness. When managers were unable to keep their anger in check at these critical moments, they not only increased the risks of retaliatory acts by affected employees, but also themselves suffered a blow to their sense of personal competence as a manager – because they were unable to maintain composure when it was most critical to do so.

#### **Dysfunctional Conversation #5: Mechanizing**

Finally, instead of indulging their emotions, highly emotional managers were also prone to detach or distance themselves from their emotions, and deliver the message in a rigid, mechanical fashion. The executive at the previously mentioned start-up company described how emotional overload caused her to deliver her message to employees in an awkward, mechanical style: "The carefully rehearsed words didn't flow smoothly and instead came out sounding like a campaign speech by Al Gore."<sup>9</sup> In another example, a senior executive at Apparel Inc. was so overwhelmed during the dismissal of his

<sup>9</sup> Jeffrey, J. (2001, April 15). The day I killed my dot-com. *Salon.com*. Retrieved January 7, 2006, from <http://www.salon.com>.

facility director that instead of looking the employee in the eye, the manager looked down and mechanically read from his layoff script. The story was recounted to us by an HR manager who witnessed the stunning rigidity of this senior executive he was attempting to coach:

Being a very senior person in the organization, Carl was not so keen on changing his style and thought that he would have no problem at all doing the deed. We did a few quick role plays right before the facility director was about to knock on the door and then a few minutes later we hear a knock. He enters the room, sits down, sees me and his manager, Carl, and it just clicks. He knows. And we know he knows. He understands what's going on and you can read it on his face – he sees he's about to be terminated. The color drains from his face. So, the human tendency for us in this situation is to start to chitchat. But as part of our training and counseling we teach no chitchat. He sits down and we begin. Carl, the senior manager who didn't need a script goes like – and literally starts to read – from the script. Which is obviously what we didn't rehearse and which was very uncomfortable because this was a difficult moment for this individual and we should be communicating with him – not reading to him. So, Carl proceeds to read from the script – literally read from the script – all the while the person being terminated is looking at his boss and he is reading the script.

## **HOW MANAGERS COPE TO AVOID DYSFUNCTIONAL CONVERSATIONS**

Like other organizations that strive for fair, respectful, and compassionate treatment of layoff victims, Apparel Inc. placed its man-

agers in a precarious position. Managers were expected to act one way, only to get blindsided by emotion that made the expected conduct a Herculean challenge. Despite not being trained in emotion management skills, however, some managers at Apparel Inc. were able to cross the tightrope of their emotions, neither indulging nor stifling them. By regulating their own emotion, they were able to deliver compassionate and consistent treatment. The coping techniques that these managers used, which we report next (see Table 2), helped them reduce their exposure to emotion and also helped them reduce the intensity of emotion they experienced. By resisting the dysfunctional effects of emotion, these managers were able to maintain composure and treat layoff victims with sensitivity and respect. We now describe the four coping techniques managers used, illustrating their upsides and downsides.

### **Coping Technique #1: Justifying**

Providing oneself with a justification for one's actions helped reduce the guilt and personal distress managers felt about causing pain to their employees. This was essential, according to one manager, to be able to stand one's ground when compelled by sympathy and guilt to back down or negotiate: "You want to be absolutely sure this is the right business decision to be made. We all know what happens when you second guess yourself or change a decision. The confidence disappears."

Managers at Apparel Inc. justified their actions in three main ways. Some managers justified the downsizing as having a "silver lining" for affected employees, believing that those let go often end up getting even better jobs at other organizations:

I look at the job market. It's hot right now. A lot of people at Apparel Inc. are young and have a lot to offer. Even the outplacement people told us ahead of time, Apparel Inc. people are employable. They almost made us feel better about it.

**TABLE 2 MANAGERS' COPING STRATEGIES**

COPING STRATEGY	DESCRIPTION	ILLUSTRATION
Justifying one's actions	Providing oneself with a convincing justification for one's actions in order to reduce guilt and personal distress.	"I look at the job market. It's hot right now. A lot of people at Apparel Inc. are young and have told us ahead of time, Apparel Inc. people are employable. You need to make sure you, they almost made us feel better about it of what we were doing."
Quarantining emotion	Distancing oneself from one's emotions in order to deliver the difficult message.	"I find it's personally easier to put the emotions on the back burner. I'll deal with them prior to or after the fact, but during the meeting, I'm there to do a job and I just focus on my performance and get the job done."
Releasing emotion	Exhaling, or releasing, negative emotion to prepare for, or help recover from, a difficult conversation.	"Misery loves company, if you feel that other people are experiencing the same types of pain you are feeling, just to talk about it and talk about how the process makes you feel, and we are going to be done by 1:00 so let's aim for 1:00 then we can all take a deep sigh of relief."
Diverting attention	Focusing on something other than one's own distress or that of the affected employee in order to facilitate delivery of the negative message.	"If I didn't have a checklist per se or even a mental checklist I think I would, definitely would have forgotten because you're anxious and the person's anxious and you might start to get to a point and they might cut you off with something else, then you just forget what your point is."

This silver lining justification was also used by financial managers in Judith Clair and Ronald Dufresne's research study about downsizing at a financial firm, as one manager from that study explained:

The people I was involved with laying off felt very comfortable with the package that they were getting, and (we were) allowing them to get to their next position, whether it be starting a new company or starting a new position . . . we felt good about what we were doing.<sup>10</sup>

In addition to believing that their actions had a silver lining, managers at Apparel Inc. also justified downsizing as a necessary part of their professional role. One manager explained, "Even if I strongly disagree with

the decision that's being made, at the end of the day, I have a job to do, and I need to carry that job out."

A third group of Apparel Inc. managers justified their actions by appealing to the greater good of the company. In doing so, one manager used the metaphor of a surgeon performing an amputation to highlight how the layoffs were painful, but necessary procedure for ensuring the viability of the larger entity Apparel Inc.:

You certainly feel regret, but you also know that it has to be done. It is very much like a surgeon perhaps that has to do an amputation. You know that it can be painful, the consequences painful, but the cause is to save the body whole. That is the only way one can maintain sanity.

Although justifications were useful for lessening the guilt managers experienced about delivering such negative consequences, there was also a potential downside

<sup>10</sup> Clair, J. A., & Dufresne, R. L. (2004). Playing the grim reaper: How employees experience carrying out a downsizing. *Human Relations*, 57: 1597-1625.

of using justifications that could temper their effectiveness. Justifications could reduce the level of sympathy managers felt for affected employees. If managers focused too much of their energy on justifying their actions, they could end up minimizing the impact of downsizing and feel less sympathy for the victims. That too could lead to less compassionate treatment.

## **Coping Technique #2: Quarantining**

Sometimes emotions could get so intense that distancing oneself temporarily from the onslaught of negative feeling was an effective means of emotion management. Managers at Apparel Inc. used a series of colorful metaphors to describe this technique, such as “putting on a game face,” “going into a zone,” “going on autopilot,” and “putting emotion on the back burner.” It is important to emphasize how quarantining emotion differed from the dysfunctional form of emotional distancing described above in the section about mechanizing the conversation. Quarantining was an intentional strategy that managers used to regulate their emotion so that they could be emotionally available for laid-off employees and treat them with sensitivity. One manager described how quarantining was a critical tool for enabling an interpersonal connection:

I’ve definitely taken a step back, and tried to remove myself emotionally from the meeting and the conversation, yet maintaining enough empathy with the person to be able to make them feel like they’ve been treated with dignity and respect.

In contrast, mechanizing was a route for managers to escape the situation. It happened when emotions were not properly regulated. Researchers Manfred Kets de Vries and Katharina Balazs illustrate how this delicate line was crossed by one executive from their study. That executive explained his mechanistic delivery:

I wasn’t really there when I had to fire a few hundred people. Granted, I was there physically, but certainly not emotionally. I remember distinctly being in a daze, standing in one of the company’s meeting halls, trying to explain to the employees why they were going to be laid off.<sup>11</sup>

In contrast, an Apparel Inc. manager described how important it was, even as one was quarantining one’s own emotions, to retain one’s humanity during the downsizing process:

You don’t want to lose your own humanity and you are affecting someone else’s life, so you want to give them every bit of consideration and empathy that is appropriate; and if it becomes easy you might lose that sense of empathy.

Of course, the danger of quarantining is that it could deaden the manager’s sensitivity and lead to rigid script-reading or callous treatment.

## **Coping Technique #3: Releasing Emotion**

Another effective coping tool used by managers at Apparel Inc. was to release emotion, either before or after the conversation. Releasing before the conversation allowed managers to prepare for the difficult task ahead. One manager explained how releasing emotion with close colleagues helped her prepare for a difficult conversation: “We will sit and we will talk about, ‘Gee, isn’t it awful that we have to lay off all these good people and I feel bad for this person,’ or ‘I have to tell three pregnant women today that they are getting laid off.’” Releasing after a conversation allowed managers to recover for the next conversa-

<sup>11</sup> Kets de Vries, M. F. R. & Balazs, K. (1997). The downside of downsizing. *Human Relations*, 50:1, 11–50.

tion. Another manager described the benefits of taking a collective “sigh of relief” following a difficult set of conversations:

Misery loves company, if you feel that other people are experiencing the same types of pain you are feeling, just to talk about it and talk about how the process makes you feel, and we are going to be done by 1:00 so let’s aim for 1:00 then we can all take a deep sigh of relief.

There were also, however, some downsides to releasing emotion. Of course, releasing emotion *during* a conversation in front of an employee was obviously not a useful coping strategy, as it shifted the focus of attention from the laid-off employee and his or her experience to the experience of the manager performing the layoff. In addition, in certain cases, expressing negative emotion to others before or after a layoff could increase, rather than decrease, a manager’s stress level. As one manager explained: “After the fact I might say, ‘John really did get screwed,’ and the downside for me on that, sharing that with other people or expressing that emotion is that maybe I didn’t do the right thing.” Thus, although useful for exhaling or relieving oneself of emotion, release also had potential dysfunctional properties.

#### **Coping Technique #4: Diverting Attention**

Managers also coped with the intense emotion of downsizing by focusing their attention away from the negative emotion they were experiencing. Where did managers divert their attention? Some managers focused on the layoff script provided by Apparel Inc. as a diversion technique. For one manager, focusing on certain “keywords” in the script helped focus his attention: “There are some keywords for me that kind of help me get through to the next step. It is like checkmarks in my head.” Other managers found it useful after the message had been delivered to focus attention away

from what they had just done, and towards positive, nonwork related aspects of their life, such as their families. One manager explained that he tries “to think about other things. My family, you know, the games that my kids are going to, or playing that evening. I try as best as I can not to bring too much of that back to the house with me.”

Again, like other coping techniques, diverting attention had a potential downside that had to be managed. Although functional for reducing exposure to emotion, diverting attention could become dysfunctional if managers focused too *little* attention on the needs of the affected employee. In this distracted state, managers could appear disinterested and less able to respond to the employee’s concerns. Thus, diverting attention without paying attention could reduce, rather than improve, the outcomes of a difficult conversation.

### **ENABLING MANAGERS TO MANAGE THE EMOTIONS OF DOWNSIZING**

In recent years, corporations have gone to great lengths to insure that downsizing is handled with dignity and compassion. For example, Getronics Government Solutions, an information technology firm, devised a 50-day schedule to prepare for job losses, including teaching executives and managers to break the news with compassion and respect and to deal with employees’ emotional reactions. At Manville Corporation, the CEO met personally with every plant he had to downsize. Other corporations have not been as successful. According to a 2001 *Wall Street Journal* article, 400 PricewaterhouseCoopers LLP consultants – laid off in 2001 in what many believed to be a disrespectful manner – posted numerous complaints on Internet message boards about the indignity of the layoff process.

The case of Apparel Inc. highlights a critical factor in the downsizing process – the emotions of the managers themselves who are called upon to conduct downsizing

conversations. The experience these managers go through may hold the key to ensuring fair and compassionate treatment of employees. Although many companies today often prescribe fair and dignified treatment as an essential facet of the layoff process, they do not prepare managers to handle the emotional dynamics essential for delivering this form of treatment. An obvious lesson for business leaders, therefore, is that instead of leaving managers to their own devices for coping with emotion, leaders can proactively prepare managers for the challenges they may face in handling these conversations. In guiding these efforts, we offer three concrete suggestions based on our research at Apparel Inc.: (1) acknowledge the importance of emotions, (2) provide managers with realistic simulations of the emotional dynamics they will likely face when delivering the difficult news to employees, and (3) customize training to fit managers' experience level and the difficulty of the situation.

### **Suggestion #1: Acknowledge the Role of Emotions**

Few tasks are as emotionally arousing and practically difficult as firing employees or laying them off. Training at Apparel Inc. certainly focused on how to deliver the messages with compassion and dignity. It did not, however, focus on the emotional challenges managers faced in translating this prescription into practice. It did little to alert managers to the emotions they would experience. To illustrate this point, we asked a research assistant to count the *total* number of words in Apparel Inc.'s training materials (3,459 words) and to then compare that number to the number of words in the materials that were, in any way, focused on managers' own emotions or how managers could or should handle these emotions (eight words). A mere 0.5 percent of training materials had anything to say about managers' own emotions. As a first step towards preparing managers to handle emotions, organizations should acknowledge the role of emotions in delivering the layoff message.

### **Suggestion #2: Provide Realistic Simulations of Emotional Dynamics**

Organizations are starting to pay attention to the importance of training for layoff conversations. Lucent Technologies, for example, now requires managers to attend training, whereas, in the past, such training was voluntary. Yet, as we have shown, training itself is not enough: it is the way managers are trained that is critical to the success of a downsizing initiative. To this end, organizations should provide practice that exposes managers to the true stressors and emotions they will likely experience in real conversations with employees. Without such a realistic preview, managers may be ill equipped, and overconfident in handling themselves in the real situation.

How did Apparel Inc. do in this regard? Although Apparel Inc. attempted to provide such training, managers who went through the training program missed the authentic emotional texture of the real layoff experience. In Apparel Inc.'s practice sessions, "guinea pig managers" were chosen to go on stage with a senior executive to conduct a mock termination conversation. The senior executive purposefully gave a very hard time to the manager (the executive "pounced on him," according to one manager present, "asking crazy questions and drawing laughter from the audience"). According to an eyewitness, the audience's laughter allowed the manager to take a "mini time-out," whereby the manager could compose himself and try again. The laughter and the time-out also relieved some of the tension. The practice was hardly realistic.

In real downsizing conversations, of course, there is no stage. The person across the table is not a senior executive playing a role broadly, but instead, the affected employee experiencing a life-altering event. There are no time-outs or "do-overs." Perhaps most importantly, the practice setting did not allow managers to experience a palpable sense of the emotions that they would actually feel in the real layoff meeting. A

realistic preview would entail explicit information about the range of emotions the victim will experience, as well as the ensuing emotions the manager performing the layoff will feel. Training might actually include role-play with actors or layoff victims – or, at the very least, videotapes of them portraying their reactions during a layoff conversation. Although a pale comparison to being in the room delivering the actual news oneself, such an approach would at least alert managers to the storm they might experience. It would also allow managers to gauge their emotional reactions to a milder version of what they are about to encounter.

### **Suggestion #3: Customize Training to Fit Managers' Experience Level and the Difficulty of the Situation**

Finally, when considering how to train managers, organizations should pay particular attention to managers' experience level at handling difficult conversations and to the difficulty of the particular conversation they are facing. Managers with little experience may have a great deal of difficulty managing their raw emotions. In contrast, seasoned managers may have an opposite problem. They may, as one manager explained, be so numb to the situation that they become chronically detached from their emotions:

If you have done it as long as I have the challenge is that you focus on the job so much that is to be done that you ignore the individual and it can become cold, you can just race through the process. If this is the first time you have done it, you can be so caught up in the sympathetic role that one must play that you are not

able to convey the message. So it is striking the appropriate balance between the two extremes.

Situations can also vary in emotional intensity. Downsizing a cherished, hard-working, longtime employee may be more difficult than downsizing a recent, underperforming hire. Both conversations may be difficult, but the first may elicit stronger emotions. By customizing training to fit managers' experience levels as well as the difficulty of the situations they face, organizations can increase the likelihood that managers will be able to achieve the standards of dignified interpersonal treatment.

## **CONCLUDING THOUGHTS**

Our research identifies the unsettling role emotion plays in the conduct of layoffs and the inadequate preparation managers can receive, even in companies that conscientiously prepare their managers for an impending termination. When emotion is neglected, it can commandeer the face-to-face interaction between managers and laid-off employees, leading to negative consequences for the individuals involved and the organization. What we suggest is training that explicitly alerts managers to the emotions they will experience; that incorporates guidance on how managers can manage themselves amid the emotional storms they may experience; and that puts managers through practice encounters that generate the same barrage of emotions they are likely to confront in the real encounter.



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