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Human resources

How to ... lay off employees

Three tips to make sure you do this difficult task with dignity and respect.

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Assess: Laying off any employee — particularly due to economic conditions and not individual performance — is a challenging task, so it's important to be absolutely certain that culling staff is the right option. Look at alternatives first: wage rollbacks, reduced workweeks or unpaid leaves of absence. A firm's reputation is based on how it treats employees in good times and bad, and employees will appreciate that a company at least tried other options. If layoffs are deemed necessary, determine who should go by evaluating performance, as well as company fit and future needs. And don't feel shy about consulting with more senior colleagues.

Prepare: Write and rehearse a script before meeting an employee. Get straight to the point, but be empathetic. People will likely want to know why they're being let go and not others. That's why you need to reinforce the decision is purely for economic reasons, not performance, and don't get dragged into an argument. End the meeting by emphasizing the person's strengths, and making yourself available to answer questions. If cutting more than one staffer, schedule the meetings when few people are in the office to prevent widespread speculation about who could be next.

Follow through: Your job isn't finished once an employee is let go. Providing counselling services

and job-search assistance helps people get back on their feet, but also helps preserve the company's reputation. "You want employees leaving the organization to always champion the business," says Cissy Pau of Clear HR Consulting Inc. in Vancouver. "You don't want them bad-mouthing the company." Same goes for the employees who remain. Organize a post-layoff meeting to explain what's happened and why. Discuss any changes in responsibilities and, above all, be honest about the firm's prospects and the likelihood of more job cuts.