



# The axman's anxiety: Readers share the pain

Is there any part of a manager's job harder than having to lay people off—especially solid performers who may even be personal friends? If so, I don't know what it is, and to judge from my mailbox lately, neither does anybody else. A plea in the May 28 issue from a beleaguered executive signed "Sick of Success" brought a barrage of comments from managers who've been thrust into the role of reluctant executioner. A fairly typical letter, from Richard Schifreen, Ph.D., now a business unit manager in molecular diagnostics at Promega:

"Like 'SOS,' I once worked in a company that initiated three rounds of layoffs despite record sales and earnings. I was responsible for terminating people I respected and believed were assets to the company. After a very difficult period of reflection, I realized the following, which helped me:

- The decision [to lay people off] was made, and there was nothing I could do to change it. No argument I could make would have any impact.
- Someone was going to give the message to those on the 'hit list,' under conditions decided by the company. I was an actor in a drama whose script was mostly written by others.
- However, there was an opportunity to deliver the bad news with respect and compassion; to listen and let those affected know that I cared; and to use what freedom I had to do the job in a way I could be proud of."

He goes on: "There were no miracles. They were very difficult days. Some of the meetings went reasonably well, others didn't. But years later, I believe that I did make a difference. It is possible to make a bad situation just a little bit better, and there is satisfaction in doing so. The fact that 'SOS' finds firing people difficult is good—it should be. I suspect it means he cares."

Adds Andrew Ogan, a recently retired Air Force unit commander who found himself in the trenches of the military's current downsizing: "This is tough work anytime you have to do it. What proved effective was routinely getting everyone together to let them know what was happening, what the schedule was, and what avenues were open to them.... The end result was that my people were given a fair shake. The interesting part for me was that my bosses also appreciated my efforts because, in their minds, I was also taking care of them"—in part because his candid, considerate approach helped keep morale high among the remaining troops, always a major worry in the private sector too.

During the last recession, in 1990 and '91, one heard hor-

ror stories galore about wholesale layoffs conducted with a callousness bordering on cruelty. (One big company herded 600 people into an auditorium and fired them on the spot.) Times have changed, it seems. Everyone who weighed in on this agrees that if you don't want your remaining employees to hate you, it's best to treat the departing the way you'd want to be treated yourself. Paul Newbourne, who last year faced the unenviable task of shutting down an entire division, notes that it may salve your conscience—and do some practical good too—to get actively involved in helping layoff victims land on their feet: "Use your own external personal network to make calls on behalf of affected personnel. Help people find relevant Websites to search [for new jobs]." To keep the funereal atmosphere to a minimum, "hold periodic goodbye lunches as groups of people are released. These should be informal (usually pizza in the conference room) and designed to allow people to talk about the future among their peers in a relaxed way." Ah, pink-slip parties—just one of the turn of the century's unwelcome innovations....

Before we leave (for now, anyway) the topic of layoffs, a few more words on negotiating to get the exercise dates of stock options moved up as part of a severance package (July 9): Mark Lipis, a Los Angeles compensation consultant ([www.lipisconsulting.com](http://www.lipisconsulting.com)), makes the excellent point that some option plans allow the board of directors to accelerate vesting in some situations, or may contain a reference to a "triggering event"—such as a reorganization—that causes all unvested options to vest automatically. Either type of provision could go a long way toward helping you make your case. The point here: Read your company's options plan carefully, all the way through. (If you've long since recycled your copy, you can look it up in the proxy statement for the year in which the plan was approved by shareholders. Go to [www.sec.gov/edgarhp.htm](http://www.sec.gov/edgarhp.htm).)

I know, I know, most options plans are all but incomprehensible to ordinary mortals. (Could this be deliberate, I wonder?) But if you're losing both your job and your as-yet-unvested options, enlisting an attorney or a compensation expert to help you hack through those dense thicketts of legalese could turn out to be well worth your while. **F**

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