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Firing

How to Decide Whether to Fire Someone

by Rebecca Knight

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Summary.   Deciding whether to fire an employee is hard. The decision is especially tricky if the person hasn't violated any rules and isn't egregiously underperforming—but is clearly falling short. Reflection is in order. Think about your company's future needs, and imagine your... **more**

One of your direct reports isn't performing up to snuff. You've done everything you can think of to help them improve, but you're not seeing any significant progress. And now you're agonizing about what

to do. Should you fire them? How can you know for sure? Is it better to take swift action? Who else should you consult? And what are the costs of delaying the decision?

What the Experts Say

Deciding whether or not to terminate an employee is hard. "It's an emotionally difficult task," says Jay Conger, a professor at Claremont McKenna College and coauthor of *The High Potential's Advantage: Get Noticed, Impress Your Bosses, and Become a Top Leader.* The decision is especially tricky if the employee in question hasn't violated any rules and isn't egregiously underperforming — but is clearly falling short. "The default mode is to think that maybe this person will turn around," he says. "So many managers have a tendency to wait and give the individual more leeway." But delaying a decision is ill-advised, says Patty McCord, the former chief talent officer at Netflix and the author of *Powerful: Building a Culture of Freedom and Responsibility.* "Your goal is to build a great team that does great work," she says. And to do that, "you need productive, engaged employees." If one of them isn't measuring up, you need to make a tough call. Here's how to think it through.

Reflect

How do you go from having an inkling you ought to fire an employee to knowing for certain? Frankly, "If you are already thinking about terminating someone, that's a bad sign," says Conger. "You're standing at the edge of the diving board." McCord agrees. "You know it in your gut sooner than your head can catch up," she says. To get your brain and intuition on the same page, she recommends reflecting on a series of questions about how this individual will contribute to your organization's future success. "Imagine your perfect team. Is this person on it?" Or consider a scenario in which there's an opening at your organization for the job that this employee currently holds. "Would you hire that person?" Finally, "if the person told you they were leaving, how much would you fight to keep them?"

Consider the root cause

It's also important to think about the "root cause of the employee's poor performance," says Conger. Ask yourself: "Does this person fully understand all of their responsibilities? Have they received enough training?" Think, too, about how you may be contributing to the problem. "Ask: Is there not enough supervision? Are expectations not clear?" Understanding the reason for your employee's underperformance is critical for determining how you'll approach the issue, says McCord. It may not be anyone's fault per se. Perhaps, the employee had been doing well, but because of shifting business needs or changes in technology, the employee's skillset is no longer needed. Or maybe, "the job has outgrown the person," and your employee "isn't developmentally ready" for what you require. Then again, "you might have just hired the wrong person," she says. It's understandable why that's tough to swallow — firing someone you hired causes you to question your judgment. "But if this is the case, it's important to own the mistake and quickly say goodbye."

Seek input

Solo introspection is a good start, but it can often lead to a "confirmation bias" in which "you view everything this person does in a certain light," says Conger. To check yourself, he recommends seeking input from trusted colleagues. Be judicious in your phrasing, however. "You don't want to start to raise questions in their minds." He suggests saying something like: I notice that our team is not performing in this particular area. What do you see as the reason for it? "Ask for their observations, and see if they bring up the individual. If they do, ask for specific, concrete examples of what the individual has or has not done." Your goal is to get perspective on the situation. Think, too, about where this employee falls on "the sliding scale" of performance, he adds. "If this person has eight goals and does well on most but has two that are worrisome," then his career at your organization might be salvageable, he says.

Be transparent with the employee

Before you make a decision, you need to, of course, have several conversations with the employee in question. "Be honest and

respectful," says McCord. "You want the employee to maintain their dignity." Ideally, you've been having conversations about their performance all along the way and they are aware of your concerns. Reflect on these conversations. You want to believe that this employee truly "owns the problem" and that they have the "initiative and drive" to solve it. If so, the employee may have a future. If you haven't been transparent, now is the time to be. Conger suggests opening the conversation with a straightforward question. "Say, 'You are not hitting the targets we set. What do you think is the root cause?'" Hopefully, "you and your employee should be pretty well-aligned on what" the source of the problem is, he says. Indeed, your employee's response will be telling. Note "how defensive" the employee is and whether or not they "blame other people or external events" for their shortcomings. This is good information to have.

Consult with HR

Conger says it's smart to "get HR involved fairly early" in this process to get their input on how to handle the situation and advice on what documentation you need should you decide to fire the person. Start by having an "informal conversation" with HR in which you discuss "the person's development" and objectives. Depending on where you are in your decision-making process, "HR may require you to do a performance improvement plan (PIP)," so you have "evidence" of their inability to improve in case they sue, says Conger. In an ideal world, you wouldn't have to worry about litigation (and McCord believes most HR departments are overly concerned about lawsuits) but many companies require this so be sure to follow your organization's protocol — or advocate for changing it, if necessary. For example, McCord urges you to think twice "if you're putting someone on a 90-day performance improvement plan because your end goal is to get rid of the person." There's "nothing crueler," she says. "The most humane thing to do is to pay them for 90 days, shake their hand, and say goodbye." Conger agrees. "A PIP is demotivating," he says. "It's a you're-on-your-way-out formality, and it signals to the employee that they're finished."

Gather more data

Most managers want to feel like they've done everything they can before making the decision to fire an employee. So if you feel like the employee is motivated and coachable, it can be helpful to gather more data before making a final decision. Conger suggests implementing a "development plan" — not to be confused with a PIP — focused on "three or four areas that the person needs to work on." The plan must also include "how you'll measure their progress in those dimensions." Let's say, for instance, that your employee's primary problem is that they do not work well cross-functionally despite having a job that requires it. "You need to work with this person to identify activities that would help them build relationships — such as getting involved in different projects, joining a committee, or going to coffee with colleagues." Then, set parameters for your expectations. "Think about a reasonable timeframe in which this person could improve. Tell them that you'll check in two or three weeks to see how things are going." Offer your assistance. "Ask, 'What help do you need from me? Can I make introductions for you? Can I help you find [a mentor] who's good at networking?'" Your aim is to be tough but encouraging. "Acknowledge that it will be challenging," he says. "And strike a balanced confidence that the person will achieve the goals."

Once you've made your decision, don't procrastinate

Once you've made a decision to terminate, it's important to act quickly, says Conger. There is a cost to procrastinating. "Your credibility is in question," he says. "The team sees you stalling — it looks like you don't have the courage to make a tough call." And in the meantime, morale dampens, and team performance suffers. You may need to make the case to HR for swift action (and possibly skip the PIP). Explain the "employee's detrimental behavior and the damage it's causing to the team," says McCord. The cost of prolonging the process should be clear. After all, "no one ever said I should have waited a couple of years before I fired that guy," she says. Still, remember that firing someone can have serious consequences for their livelihood and career. Try to do it as humanely as possible.

Principles to Remember

Do:

- Consider your organization's future business needs and whether the employee in question has the necessary skillset.
- Try to understand the root cause of the underperformance — it will give you useful information that will aid in your decision.
- Be transparent with your employee about your concerns.

Don't:

- Rely solely on your own observations; seek input from trusted colleagues.
- Leave HR out of the process — seek their input and advice on your decision
- Dawdle once you've made the decision to fire. The cost of procrastination is high for everyone.

Case Study #1: Reflect on the problem and take swift action if necessary

Joshua Evans, the founder and CEO of Culture Consulting Associates, the Houston-based employee engagement firm, recently wrestled with the decision of whether or not to fire an employee.

The employee — we'll call him Tim — had been at the company for about two years. "Tim was phenomenal at selling our services but recently had become very toxic to the team," says Joshua.

Joshua knew he needed to do something — and quickly. First, he reflected on the problem. "There had been some changes in our organizational structure, and Tim was fighting it. As a result, he was adding a lot of drama and anxiety to the team."

Second, Joshua sought input from the president of the company, who agreed that Tim was a problem. Together, they asked themselves a series of questions they hoped would help make the decision clear.

"We asked: Will we be able to find a replacement that could handle his workload? The answer was: Yes. If he wasn't working for the company now, would we hire him, knowing his personality? The answer was: No. Would business suffer from his departure? The answer was: Possibly. And finally, would morale increase or decrease with his departure? We were confident it would increase."

The two weighed other factors, too. Tim was not exactly a new hire. "But his tenure was less of a factor than the impact of his presence," he says. "We wanted to re-establish a cohesive and optimistic team."

Next, Joshua and the president spoke to Tim about the issue. "There was no talk of a PIP," he says. "We discussed the expected changes and made them explicitly clear."

But after a month, Tim didn't show any sign of progress. "Without any change to his attitude, we were left with no other options," says Joshua.

They let Tim go with a six-week severance package, which included placement services to help him find a new job.

Looking back, Joshua has no regrets. Swift action was necessary. "Now the team is stronger than ever and much more productive."

Case Study #2: Trust your gut
Earlier in his career, Josh Waldrum, realized he had a problem employee on his hands. This particular employee — we'll call her Janet — was a member of Josh's search engine optimization team at an internet marketing company.

"Janet interviewed extremely well and came to the position with a lot of background knowledge," recalls Josh. "However, after a few weeks of work, it became apparent that she was not right for the organization."

Josh reflected on what the problem was. Janet's performance was subpar, and her manner was off-putting to other colleagues. But he also blamed himself. "The reality between the person whom I thought I hired and the person who actually worked for me was stark and jarring," he says.

He talked to Janet about the situation. When he broached the subject, though, Janet barely acknowledged that she was struggling. Still, Josh was determined to help her. He thought that with more structure and supervision, she'd get better.

"I asked her, 'What tools do you need to make your job easier? How can I help you meet your goals? And what do you need to be successful?'"

Josh also spoke with an HR representative about his concerns. Together they created a PIP for motivating Janet. "We wanted to see some performance growth or personality changes," he says. "But at the end of four months, there was just no change."

He was back to where he started: he needed to fire Janet. "I had attempted everything I could think of to keep Janet at the company," he says. "In hindsight, I realized I let the situation go on for too long. There were signs early on that the problem was unsolvable, and it only created further problems down the road."

Today Josh is the VP of SEO and content strategy with The Zebra, a car insurance search engine. His advice to managers who have borderline employees: "Rip off the Band-Aid. You have to trust your gut."

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Rebecca Knight is currently a senior correspondent at Insider covering careers and the workplace. Previously she was a freelance journalist and a lecturer at

Wesleyan University. Her work has been
published in *The New York Times*, *USA Today*, and
The Financial Times.