



THE EXECUTIONER'S SONG

IT DOESN'T GET ANY WORSE THAN BEING LAID OFF
IN A MISERABLE ECONOMY. BUT BEING THE ONE
SWINGING THE LAYOFF AXE IS A CLOSE SECOND.

BY KRIS FRIESWICK

Seven years later, Marty Loughlin still doesn't like talking about how it ended. When he and three friends launched their web services company Granitar in 1997, they figured they'd all retire as millionaires. Their company ballooned to over 250 employees in three years. We all know what happened next. The dot-com bubble popped at the end of 2000 and the man the founders had hired as CEO announced layoffs were needed to keep the company afloat.

"I was very much opposed to doing a layoff," says Loughlin, a balding, baby-faced 43-year-old with rimless glasses and an accent that retains a hint of his native Dublin, Ireland. "It was a combination of continued optimism about the business and where it was going, and then just pride, and not wanting to admit that we needed to do it."

But the number didn't lie. The first layoffs came at the end of 2000, followed by several more rounds. The company eventually closed in 2003. "From a process perspective it was straight forward," he says, and he credits his human resources executive for putting in place a "script" managers could follow to ease the lay-off conversation. "From an emotional perspective, it was horrible. I heard how people were being impacted. There was enormous guilt with that, of what was happening to people." The worst was laying off friends he admired, people he'd brought over from other jobs.

The day that Marty and I met, he admits he purposely hasn't discussed this chapter of his professional life very much. "I kept pushing it away cause I wasn't eager to revisit it."

Kris Frieswick is a frequent contributor to the Globe Magazine. Send e-mails to magazine@globe.com.

Compared to the current economic implosion, the recession in 2001 was a garden party. But one thing remains constant – for every person cleaved by the blow of a layoff – approximately 90,000 in the past year in Massachusetts alone, according to new numbers from the state's Executive Office of Labor and Workforce Development – there is an ax-man or ax-woman. And, like Loughlin, most recall that time as one of the most emotionally wrenching professional tasks they've ever done.

SOMEWHERE BETWEEN THE CEOS who order the massive layoffs and the employees who are left jobless are the upper and middle managers who must be the bearers of bad news to the people they oversee. It's rarely, if ever, their idea or their desire to do it. But it's their job. So just for a moment, conjure up what empathy you can, and try to imagine what it must be like to be the executioner.

Most of them know the emotional, personal, and financial havoc they wreak on people who did nothing to deserve it. They live, to varying degrees, with guilt – even those who have done multiple layoffs. Anyone who climbs high enough on the corporate ladder will eventually be called upon to identify workers who are "redundant." This is why it's amazing how terrible most managers are at it when it's their turn, and why the state is working to help companies get better at delivering bad news.

Through its Rapid Response division in the Department of Labor and Workforce Development, the state works with companies doing layoffs to help employees navigate the unemployment system, polish their resumes, and tighten interviewing skills. It also coordinates job fairs and works directly with most of the outplacement firms in the city to find jobs ranging from clerical to six-figure executive positions. "One of the only ways to feel

good, or better, about a layoff is to give people all the resources you possibly can, and preparing people the best you can,” says Ken Messina, who runs the Rapid Response program. His team reached out to over 260 companies last year, and expects that number to skyrocket this year.

Anyone who’s been fired has a horror story – the manager who wouldn’t make eye contact while sliding the severance letter across the table, the one who did the layoff over the phone or via email, the boss who had no idea what the rules are about COBRA or unemployment benefits, the one who bragged about his new boat to newly laid-off blue-collar laborers. But more often than not, these managers aren’t evil or greedy, just terrified or utterly clueless.

“It’s not that you become a bad person when you become an employer,” says Suzanne Bump, Secretary of the Executive Office of Labor and Workforce Development, “but there’s a whole denial element. You don’t want to go there. You just want to make it quick and easy and unfortunately, quick is hard.”

Bump knows both sides of the table. She’s been fired, and she’s had to fire. With the layoffs her department did, she admits it could have gone smoother. “I frankly think we could have done a better job with the day of the lay-off communication,” she says. Complicating matters was the fact that those who were being laid off worked all around the Commonwealth, and many had to be escorted out of their offices immediately due to data security concerns. “There were very unpleasant aspects to it. The after-effects were very significant, not just for the folks who lost their jobs but for their co-workers.”

Those who have done it compare layoffs to breaking up a family. As the human resources manager of the Downtown Crossing Filene’s Basement location, Elizabeth Garcia helped coordinate the layoff of 360 employees when that store closed in September 2007 for the planned two-year redevelopment of the Filene’s building (the store planned to reopen and hire back as many employees as possible in spring 2009, but that redevelopment is on hold pending new developer financing.) Among those employees, 11 percent had special needs. One had been at the company for 60 years. She said the layoffs, although intended to be temporary, were still horrible. Making the process more difficult – Garcia was one of the employees scheduled to lose her job as well, although she was offered a position in HR at the corporate offices in Burlington shortly before the store shut down.

“It truly was like a family... you feel bad,” she recalls. “You want to help all these people and then of course in the back of your mind is your well-being as well. What am I going to do? I was more fortunate than a lot of the other managers because I was so involved and so busy... I was so busy that I didn’t have time to really realize what a mess I was in as well.”

Soon after I spoke with Garcia, Filene’s Basement announced tentative plans to close an additional 11 stores including one in Framingham.

“It’s like saying goodbye to a member of your family,” says Polly Price, who conducted numerous layoffs as former chief human resources officer for Harvard University and is a human resources advisor for the Executive Office of Administration and Finance for the Commonwealth. “Employees will react in different ways. Sometimes they’ll be so blindsided that they just say ‘OK, fine, no problem.’ Sometimes they’ll be really angry and start to get argumentative, [and say] ‘Why are you doing this to me? Why not someone else? What’s going on?’ So it’s just personally very... it’s just giving bad news to a lot of people all at once. That never feels good.”

BACK WHEN UNEMPLOYMENT in Massachusetts hovered around 4 percent, layoffs seemed somehow less traumatic, though certainly those who lost jobs back then might see it differently. Then, losing a job didn’t feel like the indefinite sentence of unemployment that it feels like now. Even after the dot-com bubble popped, other economic sectors in Massachusetts continued to flourish. Those days, of course, are gone, and a layoff today carries with it the stench of a financial death sentence. This explains why not one of the 20 companies I called that had done recent layoffs would comment for this story – it was all too raw, they said in one way or another, and they worried about looking insensitive to their former employees by talking about how hard layoffs are on those who do them.

But the fact remains that playing executioner brings its own personal and professional trauma that’s often overlooked during the process. Living with the knowledge that they’ve disrupted and financially imperiled so many lives can result in long-lasting emotional damage from which some never find a

“They’re depressed,” psychologist Andrea Herber says of her patients who’ve had to lay off employees. “They’re numb. In shock. It’s a mixture of post-traumatic syndrome and grief.”

way to move on, even after they’ve left their job or been laid off themselves.

Andrea Herber, a psychologist who counsels many Boston managers who have conducted layoffs, says she is seeing something akin to post traumatic stress disorder among the executioners. “They’re depressed,” she says. “They’re numb. In shock. It’s a mixture of post traumatic (syndrome) and grief. They’ve seen people who have given years of their life shown the door, and it makes them wonder what the meaning of it all is.” Complicating matters is the need to keep information secret – like when layoffs are coming, who is getting axed and when. “Some people feel like they’ve betrayed their close friends.”

Can’t muster sympathy because at least they still have a job?

Not always. With entire factories, retail outlets, and divisions being closed down, more than ever the one doing the layoffs is simply the person charged with turning off the lights after everyone else is gone.

LAYOFFS, LIKE AN ILLNESS, vary in severity and discomfort. When an entire division or unit is shut down, everyone goes. There is no picking and choosing of victims, a task that executioners say is the hardest task associated with a layoff. Likewise, it’s much easier to explain the necessity of an urgent layoff than a pre-emptive strike, done while a company is still financially healthy – in fact may even still be hiring in some sectors. And naturally, the more involved one is in delivering the news to real, live people, the more difficult the process.

At some point, everyone from the CEO down to the assistants takes some emotional solace in the “greater good” theory – that by laying off a few, the company is trying to preserve everybody else’s jobs for the foreseeable future. “You never feel good about it,” says Diane Mohieldin, CFO/VP of administration for Harr Motor Management, the management company for a group of car dealerships in the Worcester area. The group closed its Ford franchise in October, laying off 46 employees (16 were placed elsewhere in the company.) “But it’s a protective move for the rest of your business. You can’t continue to carry a franchise that’s losing. You put everything at risk.”

Managers say what helps them get through a layoff is if they feel comfortable knowing that those being let go were at least given a package to sustain them long enough to find new work. “That’s what determines if people are going to have enough to feed themselves, feed their families, and survive for the next couple of months,” Price says.

Companies facing dire financial straits, usually the reason for layoffs, are often not in a position to offer big severance packages. But managers and those who have been through it say there are other ways they can ease the pain of suddenly becoming jobless. Offering references or mining your own Rolodex for leads on new jobs costs nothing, but can make a world of difference to the prospects for a newly unemployed person.

As awful as layoffs are, an even bigger challenge comes in the aftermath: managing a post-layoff environment full of skittish employees resentful of the additional work they must do, and sad at the loss of their co-workers. Some even experience “survivor’s guilt.” Holding on to the most talented employees becomes even harder post-layoff because they’re in the best position to find work elsewhere if they feel the company isn’t viable. It’s a balancing act that stretches even the most masterful manager.

After the second or third layoff at his startup, Marty Loughlin says the executives started doing regular updates for the remaining staff. “If someone was really concerned about job security, they could make a decision about what they thought the viability of the firm was and could initiate leaving on their own if they wanted to do that.”

But at the same time, the executives needed to keep their top performers, so they were constantly worried that sharing bad news might wind up scaring off even more talent. “It is,” Loughlin says, “a fine line to walk.”