CANADIAN BUSINESS Print How to keep fired execs from firing back

By Michael McCullough | September 22, 2011

Firings seldom get more fractious than Carol Bartz's ouster as CEO of Yahoo on Sept. 6. The next day, Bartz told Fortune magazine that the company's board "fucked me over." She referred to the directors as "doofuses" and questioned the "balls" of chairman Roy Bostock for giving her the news by telephone.

Bartz mainly damaged her own career prospects, but her public outburst reflected poorly on the company. The incident almost certainly hurt employee morale, riled activist investors and added to Yahoo's legal fees.

Less than a week later, Michael Arrington, founder of influential Silicon Valley blog TechCrunch, hinted via Twitter at discord in parent company AOL while taking his leave of the organization. No profanity this time, just innuendo, but potentially just as damaging.

There's a reason companies prefer to issue joint announcements with senior executive who are "resigning" to "seek new opportunities." Such communiqués may fuel cynicism, but that's better than mixed messages that cause people to question corporate leadership.

Firing a high-profile, volatile executive raises the complexity of an already difficult task. "There's really no good way to terminate somebody," says Rob Norton, the Ottawa-based president of KWA Partners, which consults with companies on terminations and outplacement. But there are plenty of bad ways. At root, good firing etiquette is all about risk management.

The obvious slight Bartz seized on was being fired by phone. If at all possible, you want to fire somebody face-to-face and in private, Norton says. Just as important, you should go into the meeting prepared, ready with a severance package that gives the individual an incentive to sign non-disclosure and non-compete agreements if need be, and to assent to a joint announcement.

One way to keep things civil is to give the employee some control over how they depart. Do they want to leave immediately? Do they want to help write a memo to staff? While giving "working notice" is common, you can't expect them to perform any duties for the company when they have no motivation to do so, says Christian Coderington, senior manager of operations for B.C.'s Human Resources Management Association. "Everything after the interview is cleanup."

Also advisable, especially for senior people, is having an outplacement specialist on hand who can begin the process of restarting the individual's career. Right away, they'll suggest ways, for example, to break the news to their family and vent in safe company rather than to the media or Twitter followers.

Because top managers usually start with detailed employment contracts, they're already bound to respect confidentiality even after termination, says Ottawa employment lawyer Janice Payne of Nelligan O'Brien Payne. Nonetheless, "colourful" comments like Bartz's may not fall under breach of confidentiality or slander, she says. This is where a non-disparagement clause in the settlement agreement will come in handy. Even if the person hasn't signed it yet—usually a lawyer would review it first—they know their fat severance hinges on playing nice.

At all times, the process must be professional and not personal. Norton recalls once working with a firm that had prepared to terminate a vice-president, but at the end of the meeting the CEO said, "Enjoy your Easter weekend." The fired executive fixated on the comment for months afterward as a sign of callous disregard. "When you're terminating someone, you can't be their friend," Norton advises. "Don't try to be liked."