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BREAKING BAD NEWS IN HEALTHCARE ORGANIZATIONS: APPLICATION OF THE SPIKES PROTOCOL

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Organizational downsizing has increased exponentially worldwide and is also affecting the healthcare industry. It is one thing to speak abstractly of the need to reduce costs and quite another to actually tell a worker the bad news that he or she has been laid off. This paper offers practical advice to healthcare managers on conducting unpleasant conversations with employees based on a widely used medical model—the SPIKES protocol. This strategy has been extensively employed by physicians and other health care professionals who frequently communicate negative information to patients and is offered as an approach that can be easily and effectively adapted by healthcare managers when they must tell a person they have been terminated. Although breaking the bad news of a cutback will never be easy, having a plan of action that entails sound business and medical advice and is also the necessary thing to do can help firms carefully manage and execute reorganizations for the well-being of the organization and the terminated worker.

Keywords: delivering bad news, termination interviews, layoff conversations, conducting unpleasant conversations

“The best leaders learn how to deliver bad news kindly
so that people don’t get unnecessarily hurt.”

—O’Toole & Bennis (2009, p.57)

In the Oscar-nominated best movie for the year 2009, *Up in the Air*, Ryan Bingham, played by actor George Clooney, is a corporate layoff expert, “Termination Facilitator” in his words, whose job is to fire people from their jobs. When corporations need to downsize quickly but hate the mess, Bingham flies in and breaks the news to the now former employees. The anguish, hostility, and despair of his “clients” has left him unconcerned about others, falsely compassionate, and living out of a suitcase. Throughout the movie one is left wondering if there is a better, more humane way to conduct a downsizing.

In response to the disheartening realities of terminating individuals illustrated in this movie, in the popular press, and in the professional literature, this paper provides executives with guidelines on how to effectively and compassionately break bad news to workers that their jobs have been eliminated because of a downsizing. Downsizing is also sometimes referred to as reduction in force (RIF), layoff, restructuring, reorganization, resizing, retrenchment, involuntary redundancy, closing, displacement, or termination. All of these euphemisms refer to the voluntary actions of organizations to reduce expenses by shrinking the workforce and involve an array of initiatives implemented by organizations in response to a decision to reduce head count (Nelson & Burke, 1998).

Employee downsizings have become part of the fabric of modern organizational life, and what once were managerial reactions to difficult market conditions now have become proactive tactics for attaining strategic and financial objectives (Marks & De Meuse, 2005). Thus, RIFs have become an ongoing activity that continues in every phase



of the business cycle, without regard to financial performance (Abbasi & Holliman, 1998), and is a great concern in healthcare organizations (Tighe, 2011).

According to Henry Schacht, former CEO of Lucent Technologies, “The most difficult decision any executive has to make is to reduce the size of the company” (as cited in Marks & De Meuse, 2005, p. 19). While the decision may be difficult, a more stressful activity is actually communicating to workers in interviews that their services are no longer needed. For instance, Grunberg, Moore, and Greenberg (2006) collected data from 410 managers (none of whom were layoff targets themselves) who either had or had not been in the position of having to inform subordinates about a layoff. The researchers found that the more managers were personally responsible for conducting a layoff, regardless of their age, gender, or marital status, “the more likely they were to report physical health problems, to seek treatment for these problems, and to complain of disturbed sleep” (p. 176). Displacing people is a wrenching experience, yet most executives underestimate the effects that small details in the downsizing and restructuring process can have on employees (Nelson & Burke, 1998) and on the organization. This process is often more complicated if a company has locations in several countries and must comply with different sets of laws in each country (Kloosterman & Gilbert, 2010) and if older workers are involved (HRHero.com, 2011).

THE TERMINATION MEETING

One small detail frequently overlooked involves the actual termination interview itself. Often, it is just assumed that employees to be terminated will plainly be told that their services are no longer needed and then be escorted off the premises. This overly simplistic view may be incorrect, if we can generalize from the customer satisfaction literature, which indicates that the closing moments of a service experience are the most critical and have an enormous impact on the overall perception of the experience (Von Bergen, Soper, Loudon, & Stevens, 2007; Wood & Karau, 2009). As applied here, how the termination interview is conducted and the bad news of a job loss is delivered can have a significant effect, positive or negative, not only on persons being laid off, but also on those who carry on—the so-called survivors—as well as the entire firm. For instance, Barclay, Skarlicki, and Pugh (2005) found that, even if personal outcomes of a downsizing were favorable, perceived injustice elicited high levels of negative emotion (anger and hostility). In fact, prior studies suggest that how terminations are handled is more important than the termination itself for those downsized (Schwieger & Ivancevich, 1987).

Greenberg (1990) found that “it was apparently not the terminations per se that created bitterness, but the manner in which the terminations were handled” (p. 416). In one interesting study, Lind, Greenberg, Scott, and Welchans (2000) interviewed a large number of layoff victims. Many of these individuals considered legal action following their termination, and almost a quarter of them went so far as to speak to an attorney. The single best predictor of willingness to take legal action was the treatment former employees received at the time of their discharge. Among those who felt unjustly treated, Lind et al. (2000) found that a full 66 percent contemplated litigation. Among those who felt justly treated, this dropped to just 16 percent when an apology was added. Although legal and human resource personnel advise against apologizing—an apology can be seen as an admission of guilt—these results suggest that an apology may help promote feelings of interactional justice in which individuals are treated with dignity, courtesy, and respect (Cropanzano, Bowen, & Gilliland, 2007) and that such concern actually reduces the risk of litigation. Lipsig (1998) and Goldman (2001), likewise, found that those individuals who felt they were treated justly tended to take fewer legal actions.

Other research similarly suggests that poor termination practices can have serious costs for organizations and that firms should consider the layoff interview as a key component of managing the firm’s reputational capital (Wood & Karau, 2009). Greenberg (1993), for example, observed the effect of pay cuts at two manufacturing plants. At one plant, an executive politely spent about 15 minutes announcing a 15% across-the-board pay cut. At the second plant, an executive spent about an hour-and-a-half speaking, taking questions, and expressing regrets about making an identical pay cut. During the next 10 weeks, employee theft was 80% lower and turnover was 15% less at the second plant. No one wanted their pay cut, but workers understood why it had happened and valued the supportive treatment and, consequently, did not vent their ire on the firm in which the manager engaged in information sharing in a sensitive way. Collectively, this body of research highlights the importance of handling RIFs in a manner that

preserves the dignity of the terminated employee and the financial rewards to an organization for doing so. Former U.S. Secretary of Labor, Robert Reich, noted that “The real question is how downsizing is done, rather than whether to downsize.... It’s far better for companies to downsize in a humane way” (1996, p. 118).

Unfortunately, most executives have difficulty identifying elements of an effective downsizing interview beyond protecting the organization from litigation (Quinley, 2003). Indeed, Wood & Karau (2009) argue that most organizations approach termination interviews from a defensive, legalistic framework. This legalistic orientation might result in procedures that communicate a lack of respect for the downsized worker, which, they argue, could make it more likely that the terminnee will engage in the very types of behaviors that the employer seeks to minimize. This seems to be the case in an investigation by Karl and Hancock (1999), which found that manager termination training was positively related to increased victim hostility. Why? The authors suggest that most termination training focuses on litigation prevention strategies that may be inconsistent with favorable employee reactions, raising the possibility that practices designed to reduce legal action may actually increase anger, hostility, and other negative outcomes because such defensive-legalistic approaches likely communicate a lack of respect for the victim (Bowen, 2009). Indeed, one attorney says that, when employees seek out lawyers after a layoff, it is often because they are unhappy with how the employer handled the layoff (Lipsig, 1998).

But what procedures should managers follow? We believe that the medical literature can be helpful since breaking bad news is one of the most difficult and frequent tasks physicians and other health care professionals have to do. Bad news is defined as “any information which adversely and seriously affects an individual’s view of his or her future” (Buckman, 1992, p. 15).

This phenomenon has been widely researched yielding valuable guidelines and principles (Baile, Buckman, Lenzi, Guber, Beale, & Kudelka, 2000; Buckman, 1986, 1988; Fallowfield, Ford, & Lewis, 1995; Ptacek & Eberhardt, 1996; Ptacek & Ptacek, 2001).

A review of guidelines from the medical community’s delivery of bad news provides insights to healthcare managers and executives on ways to more effectively convey to workers the bad news inherent in a discharge. Framing termination interviews within the medical context of breaking bad news provides healthcare managers vivid examples of conversations which many may have experienced either as patients or as part of a relationship with a loved one and thus provides realistic insights into the very real and unpleasant situation of individuals losing their jobs.

PRINCIPLES GLEANED FROM THE MEDICAL LITERATURE

Six key elements have been used as a strategy that medical professionals have found useful in delivering bad news to patients (Buckman, 1986). These six elements are summarized in the acronym “SPIKES,” which stands for Setting, Perception, Invitation, Knowledge, Empathy, and Summarize. SPIKES is a strategy and not a script. It highlights the most important features of a bad news interview and suggests methods of assessing the situation as it evolves and responding constructively to what happens. This strategy can strengthen the physician-patient relationship and often leads to decreased patient litigation (Shapiro, Simpson, Lawrence, Talsky, Sobocinski, & Schiedermayer, 1989). We believe that the task of breaking bad news to employees about downsizing can be improved by understanding the process involved and approaching it as a stepwise procedure using SPIKES. Each element of the SPIKES protocol is defined below.

S—Setting

This step involves designing the right surroundings, including the physical setting of the discussion. It is important to allocate adequate time for the meeting and allow few interruptions so that privacy is maintained. Patients prefer receiving bad news from a physician whom they know. It is also important to try to establish rapport with the patient by maintaining comfortable eye contact, sitting at eye level with the patient, or touching the patient on the arm or holding a hand (if the patient is comfortable with this). Having tissues ready in case the person becomes upset is a



small, but meaningful, step that can be taken to convey support. It is helpful to start with a question like, “How are you feeling today?” to indicate to the patient that this is going to be a two-way conversation.

P—Perception

This step involves finding out what the patient already knows or suspects. The medical practitioner should be able to construct a fairly accurate picture of the patient’s perception of the situation—in particular, how they view the seriousness of their condition. This knowledge is vital because it helps physicians assess the, often unexpectedly wide, gap between the patient’s expectations and the actual medical situation. The most effective method of conducting this conversation is by using open-ended questions (e.g., “What do you make of all this?” or “What is your understanding of your current situation?”). In using the information gathered from such questions, the doctor can correct misinformation and tailor the bad news to what the patient understands. It is essential for the physician to note the vocabulary the patient is using and use a similar level. Listen closely to the patient’s words. Listen to the way in which the patient describes the situation, noting comprehension as well as denial.

I—Invitation

It is useful to identify the level of detail the patient desires. For instance, a physician might say, “Some patients want every medical detail, but others want only the big picture—what’s your preference?” This establishes that there is no right answer, and that different patients have different styles. Physicians should check frequently to make sure that they and their patient are both thinking in similar ways. While the majority of patients express a desire for full information about their illness, some do not. If a patient does not want to know all of the particulars, the doctor should offer to answer any questions they may have in the future or to talk to a relative or friend. Knowing the patient and their preferences of receiving bad news is a helpful tool for the physician when determining how to deliver the news.

K—Knowledge

Most authors suggest using simple language rather than more technical words; e.g., “spread” instead of “metastasized.” On the other hand, some researchers have argued that it is important to inform patients of the specific terminology associated with their illness so that they can gain information on their own. Start at the level of the patient’s understanding and vocabulary to provide knowledge, information, and medical facts. Important points should be repeated as necessary and check for patient comprehension at each step. Provide information in small portions, and stop periodically to ask the patient if he or she understands. Long lectures are overwhelming and confusing and may lose the patient’s focus. Undue bluntness (e.g., “Your child will never go to school or have a normal life.”) and misleading optimism should be avoided. It is important to balance honesty and realism with sensitivity and support. Humor and flippancy should be avoided. The use of euphemisms is somewhat problematic. While some investigators found that the use of the word “cancer” as opposed to “illness” increased anxiety, suggesting that using euphemisms is beneficial to patient mental health, others caution that using less offensive synonyms, for example, “slow” and “developmentally delayed” instead of “mental retardation,” often hinder understanding and frequently prevent people from grasping the full significance of the condition, and thus should be avoided.

E—Empathy

This principle requires responding to the patient’s reactions and acknowledging all reactions and feelings and answering with compassion and understanding. Good communication requires empathy and caring in addition to skill. As emotions and reactions arise during the discussion, acknowledge them and respond empathetically. Such empathy may involve touching the patient’s arm or hand. Taking breaks, pausing, allowing the patient to gather their composure often shows care and a personal connection. Until an emotion is cleared, it will be difficult to go on to discuss other issues. If the emotion does not diminish shortly, it is helpful to continue to make empathic responses until the patient becomes calmer. The clinician does not have to experience the same feeling to provide an empathic response; it simply shows the physician’s recognition of the patient’s emotions. Once a doctor has shown empathy,

identified, and acknowledged the patient's emotion, he or she is ready to validate or normalize the patient's feelings.

S—Summarize

Here the meeting is concluded. Before it ends, the information is summarized and the patient is given an opportunity to voice any concerns or questions. If the physician does not have time to answer these concerns, then the patient can be told that these issues can be discussed in detail at a following meeting. The clinician and their patient should leave the conversation with a clear plan of the next steps that need to be taken and the roles both will play in taking those steps. Researchers have recognized that patients do not hear much of what is said after the crux of the bad news is delivered, and to combat this problem, physicians should probe for understanding during the transaction itself and provide summary information after the conversation is completed. It is useful if this information is in written form so that when patients get over the initial shock, they will have a resource to remind them of the important information that was presented (SPIKES: A Six-Step Protocol for Breaking Bad News in Medicine adapted from Baile et al., 2000).

SPIKES APPLIED TO DOWNSIZING ORGANIZATIONS

Physicians who are good at discussing bad news with their patients usually report that breaking bad news is a skill that they have worked hard to learn. The same thing will apply to healthcare managers. Participating in unpleasant conversations is one of the most stressful duties in handling involuntary separations. Just as good communication between medical professionals and patients is important, so also is communication between managers and workers who must be told that they are being downsized. Delivering bad news is never effortless or painless, but to ease the level of discomfort, the delivery must be made with care, which is exactly what the SPIKES protocol enables. This section illustrates the application of the SPIKES protocol to healthcare situations with two slight modifications indicating that there are important activities both before and after the actual conversation that must be addressed.

Pre-SPIKES Interview Considerations

The Worker Adjustment and Retraining Notification Act (1989; popularly known as the plant closing law) requires employers of 100 or more employees to give 60 days' advance notice before closing a facility or starting a layoff of 50 people or more to employees who will (or who might reasonably be expected to) experience a layoff. Thus, some consideration must be given to this regulation.

Apart from such legalities, Marks and De Meuse (2005) recommend preparing employees in advance for the impending change in head count. While some executives fear raising employee stress and distraction from work, in actuality there are usually already rumors of impending layoffs or closings and these tend to be much more frightening than reality. For example, at one organization, Marks and De Meuse (2005) noted that rumors indicated that 3,000 jobs were to be reduced at headquarters when in fact only 1,000 people worked there!

Proactive leaders can prevent such rumor mongering and distraction from performance by being truthful about business realities and how resizing can help the organization contend with competitive pressures. More specifically, they use the period prior to the actual termination interview to prepare employees for the even more stressful times ahead. Thus, the time to begin a careful approach to downsizing is well before the event's broadcast or execution. More enlightened management even considers involving employees in the restructuring process. Such information sharing inherent in providing advanced notice to workers regarding a layoff can help mitigate the otherwise negative effects (Communication Can Reduce Problems, 2003).

Downsizing without preparation can make managers look incompetent (Mishra, Spreitzer & Mishra, 1998), and thus some time spent in planning this discussion is essential. As with any new skill set, some practice with the SPIKES strategy will be necessary. It is impossible to make giving unpleasant news enjoyable for the deliverer or for the recipient of the bad news, but practice can help. The authors recommend that the individual conducting the termination interview practice with another person before having an actual conversation. This can help an individual learn how to transmit negative messages constructively without being hurtful. After this technique becomes a part of a person's



behavioral repertoire, all that may be needed later is a quick mental rehearsal for an upcoming conversation (Von Bergen, Soper, & Minks, 1999).

Before conducting an actual termination interview, managers should address all legal and human resource concerns. It would be prudent to have a letter for the terminated employee outlining specific things the organization will do for the employee. Managers conducting the interview should recall the words of widely respected authority on leadership, John Kotter, who famously said that executives undercommunicate on important issues by a factor of ten (1996). In other words, supervisors must give considerable attention to how information, including nonverbal communication, should be communicated to downsized workers. Effective leaders often use supportive nonverbal cues when meeting with subordinates, such as (1) leaning forward while talking to others, which brings one closer to them and speaks clearly of one's engagement in the conversation; (2) smiling appropriately, yet maintaining a serious demeanor given what is about to be discussed; (3) nodding to affirm what was said, which indicates that one is listening and understanding others; (4) slightly pulling chairs closer together; (5) keeping one's arms open, signaling that one is interested in interacting with others; (6) engaging in eye contact to further demonstrate listening and involvement; and (7) lightly touching subordinates on the arm when they arrive or leave and shaking hands (Greenberg & Baron, 2008; Pease & Pease, 2006; Raghaven, 2009). This last point needs to be clarified. While handshaking is generally appropriate, touching someone else on the arm or shoulder is a sign that one is interested in what they have to say; yet, because some people may find this contact inappropriate or offensive, particularly in certain cultures, one has to be cautious here.

Setting

Patients wanted their physician to be honest, compassionate and caring, hopeful, and informative. They wanted to be told in person, in a private setting, at their own pace, with time for discussion by a familiar person. The implication for managers is that the organization should not allow management to treat downsized individuals as mere objects or production units, but to be considerate and respectful to them. Just as it is encouraged that a patient's personal physician, rather than an outside specialist, deliver bad news to a patient, most experts agree that the worker's immediate supervisor should be the one who delivers the bad news of a layoff, rather than a human resources representative, attorney, or a higher level manager (Walker, 1987).

Most experts agree that the best place to conduct a termination interview is in a neutral location, such as a conference room or an empty office. This allows the manager to exit gracefully after the termination interview and gives the downsized employee a few moments to collect him or herself in privacy (Rothman, 1989; Sweet, 1989). Unless there is established privacy and a distraction-free environment, the goal of the interview may be missed or may not be transmitted effectively. The location where the bad news is conveyed can have an impact on the employee's morale if the setting is unsuitable for a sensitive matter such as a termination interview. Inappropriate locations include public areas, an employee's desk or office, or any area where a third party may be present.

The manager conducting the layoff interview should be the employee's direct supervisor because he or she typically knows the employee best. There is no place for a Termination Facilitator as publicized in the movie *Up in the Air*. Research indicates that employees prefer a direct supervisor-employee relationship style of communication (De Valck, Bensing, & Bruynooghe, 2001). Good communication skills, verbal and non-verbal, with the employee are important to maintain a sense of control and balance in the termination interview (Ptacek & Ptacek, 2001).

Communication is essential. Managers must tell the truth and overcommunicate (Mishra et al., 1998). They should carefully and thoroughly explain the criteria for layoffs and clarify the role of performance evaluations or other key criteria in the layoff decision-making process (Leana & Feldman, 1992). Using a procedure that is perceived as fair can build employee trust, especially when the outcome is negative, as in a layoff (Brockner, Wiesenfeld, & Martin, 1995). Providing laid-off employees with honest information and social support can help them face the future with more confidence. The communication process should be two-way; employees must be engaged in communication so that the managers may determine their reactions and their level of understanding.

The supervisor should also develop a script that highlights the positive characteristics and contributions that the employee has demonstrated during their time with the organization. While some may believe that such positive scripts have the danger of being perceived as insincere, inconsistent with the termination decision, or condescending, research by Wood and Karau (2009) found that the focus on positives can have a favorable impact. This practice was associated with higher perceptions of respect and empathy, which suggests that people may generally feel more respected and that the terminating manager is more empathetic when positives are noted.

Another consideration impacting respect and dignity with regard to the setting involves the presence of a third party, for example, a human resources representative, a corporate attorney, or a security guard. Wood and Karau (2009) found that having a third party present during the termination interview resulted in lower perceptions of being treated with respect, and feelings of anger were highest when a security guard was present during the termination interview. Karl and Hancock (1999) likewise reported employee hostility increases when more than one person is present. Taken together, these findings suggest that third party presence may, in effect, add insult to injury and should be avoided.

There does appear to be some support for terminating employees at the end of the work day. Rothman (1989) suggests, "If at all possible, you should allow the employee the courtesy of being able to clean out a locker or desk when other employees are not present. The best time for this would probably be at the end of the workday" (p. 34). Nelson and Burke (1998) recommend that laid-off workers and survivors should be allowed to grieve and say goodbye to each other, suggesting perhaps late in the day but still early enough for good-byes to be made. There does appear to be some evidence that the magnitude of an employee's hostility is greater when he or she is terminated early in the week rather than later in the week (Karl & Hancock, 1999). Terminating someone early in the week may be more disruptive to their routine and more humiliating than if they are terminated at the end of the work week. For example, an employee is likely to feel greater embarrassment and humiliation when they are at home Tuesday through Friday, rather than Saturday or Sunday, when he or she is normally at home.

Perception

In most cases workers have begun to hear rumblings through the rumor mill or, at least, have been learning of downsizing at competitors or other employers in the local area. Thus, it is appropriate to ask the employee what he or she already knows or suspects. In using the information gathered from the individual's perception, the supervisor can correct misinformation and determine the methodology in which the bad news should be delivered. The most effective method of conducting this conversation is by using open-ended questions; this will help create a reasonably accurate picture of how the employee perceives the organization and situations that have caused the meeting. Examples of open-ended perception questions might include "What have you been told about the organization's situation to this point?" "What is your understanding of the reasons why the company is implementing a reduction in force program?" or "What have you been told about the layoff decisions so far?" In the employee's distress of hearing bad news, they may have far more concerns about finding new employment and severance packages than about being RIFed, suggesting that the supervisor should be prepared to address all three topics. To know what the employee is mentally bringing into the termination interview will help the manager conduct a successful meeting under these most difficult circumstances.

Invitation

This step involves offering employees who are affected by a layoff decision to present information they consider relevant to the decision. This is known as voice (Lind & Tyler, 1988) and it has been shown to lead to perceptions of justice (Folger & Greenberg, 1985), as well as to positive reactions, such as satisfaction and perceptions of fairness (e.g., Kanfer, Sawyer, Early, & Lind, 1987). Interestingly, the opportunity to voice one's opinions regarding a decision increases the perceived fairness of the process, even if one does not thereby influence the decision (Folger, 1977) and regardless of the final decision (Tyler, Rasinski, & Spodick, 1985), because the opportunity to voice one's opinions is a desired end in itself (Korsgaard & Roberson, 1995) and because it validates employee self-worth (Tyler & Lind, 1992).



Although not in a downsizing context, Cawley, Keeping, and Levy (1998) reviewed 27 field studies which examined employee participation in performance appraisal. They found that when employees had a voice they were more satisfied, saw the process as fairer, and were more motivated to do better. While interesting, this is probably not terribly surprising. The really impressive finding was that these effects occurred even when participation could not affect the rating. This is akin to the layoff interview in which the decision has already been made to terminate a worker and there is no possibility of reversing the decision. Simply being able to speak their minds and voice their opinions, what Cawley et al. (1998) termed "value-expressive participation" (p. 618), caused employees to be more favorable toward the performance appraisal system.

Getting workers involved in this discussion can be achieved by asking open-ended questions; e.g., "How would you prefer that I give you the information about the organization's decision on implementing the RIF?" "Are you the kind of person who prefers to know all the details about what is going on?" or "How much information would you like me to give you about the layoff decisions?" Such a practice may likewise create a more positive view of the entire downsizing interview. This pattern of results is consistent with a growing body of research in the justice literature suggesting that the opportunity to voice one's opinions regarding a decision increases the perceived fairness of the process, even if a person cannot influence the conclusion (Folger, 1977; Tyler et al., 1985). The opportunity to express one's opinion seems to be what is important, regardless of whether, and the extent to which, individuals choose to seize this opportunity (Greller, 1975).

Knowledge

Supervisors directing the layoff conversation should tell employees the truth, even though there might be a natural desire to tell others what they want to hear. Wise executives tell everyone the same unvarnished story. Nevertheless, beneficial as candor may be, great unintentional harm can be done when people speak honestly about difficult subjects (O'Toole & Bennis, 2009), hence caution is advised.

Supervisors should clearly explain the termination decision. Too often, when people are terminated they claim that they had no idea why it happened (Coulson, 1981). Supervisors should explain the issues factually and truthfully, explaining what is happening and what the employees' rights are in clear terms. Then, after explaining the decision and emphasizing that it is final, they should move on to practical matters like severance pay and continuance of health care insurance.

Business research shows that perceptions of organizational justice, that is, being treated fairly amid layoffs, can ease workplace tension, reduce the risk of lawsuits, and improve job performance among workers who were not terminated (Cropanzano et al., 2007). Unfortunately, certain aspects of downsizing are inherently unfair. No matter how managers approach the problem, the ugly business of downsizing means that some employees get picked to stay while others are sent on their way. The process stings everybody in an organization. The key for managers is to recognize that organizational justice comes in several parts during the termination interview and business leaders reap rewards even if they get only one of these components right.

Two kinds of organizational justice seem particularly important during these conversations: procedural justice and interactional justice. Procedural justice involves peoples' perceptions of the fairness of the procedures used to determine the outcomes they receive (Greenberg & Baron, 2008). A just procedure is one that is applied consistently and is free of bias, accurate, representative of relevant stakeholders, and consistent with ethical norms. During layoffs, this means an organization should consider factors such as seniority, job performance, and salary, and then establish a process that managers can apply consistently to all. In a layoff conversation, managers should spend some time explaining the processes used in applying the downsizing rubric. Employees may not agree, but an explanation of the factors used in making reduction in force decisions should be addressed. Tyler and Blader (2000) found that procedural justice affects what workers believe about the organization as a whole. If the process is perceived as just, employees show greater loyalty and more willingness to behave in an organization's best interests. They are also less likely to betray the institution and its leaders.

A person is interactionally just if he or she appropriately shares information and avoids rude or cruel remarks. In other words, there are two aspects of interactional justice (Colquitt, Conlon, Wesson, Porter, & Ng, 2001), with one referring to whether one is truthful and provides adequate justifications when things go badly. The second part refers to the courtesy, respect, and civility with which one treats another. Many of the ill effects of downsizing can be alleviated if managers simply treat their employees with dignity and spend time providing relevant, truthful information.

For example, in one study, Skarlicki and Latham (1996) trained union leaders to behave more interactionally just. Among other things, these leaders were taught to provide explanations and apologies (informational justice) and to treat their employees with courtesy and respect (interpersonal justice). When work groups were examined three months later, individuals who reported to trained leaders exhibited more helpful organizational citizenship behaviors in which people go beyond what is formally expected of them to contribute to the well-being of their organization and those in it (e.g., being receptive to new ideas, being tolerant of temporary inconveniences without complaining) than individuals who reported to untrained leaders. Thus, it appears that “what is communicated is intimately tied to how it is communicated” (Penley & Hawkins, 1985, p. 322).

Empathy

Supervisors should be sensitive to the laid off worker’s feelings. When one loses a job, the resulting feelings of uncertainty—both personal and financial—are quite unsettling. This is bad enough, so managers should not make the situation worse by being insensitive and uncaring. Compassion and empathy are precisely what is needed most at this time.

Empathy has been identified as a key dimension of emotional intelligence and has been defined as the thoughtful consideration of employees’ feelings in the process of making intelligent decisions (Goleman, 1998). Goleman is quick to acknowledge that empathy does not mean adopting others’ emotions as one’s own or trying to please everyone, but instead considering others’ emotions as a factor in effective management. The ability to use empathy effectively during a termination interview is likely to be an important factor in how the employee views the experience. Moreover, showing empathy to the downsized employees helps maintain the trust and empowerment of survivors (Mishra et al., 1998). Indifferent, insensitive, or self-serving motives are likely to trigger negative perceptual and behavioral reactions in the terminated employee.

Von Bergen and Shealy (1982) provide a simple approach to expressing empathy. Briefly, they indicate that an empathetic response conveys to the worker an understanding of both the content and the feeling of a message. Content makes the feeling meaningful. The content gives intellectual meaning to the employee’s expression of his or her concern. The feeling gives emotional meaning to the worker’s experience, i.e., what he or she is saying. Empathy requires one to show an understanding of a worker’s experience by responding to his or her feelings. The following types of formats will be helpful in expressing empathy to the worker:

- You feel (feeling) because (content) .
- When (content) it made you feel (feeling) .
- I can see how (feeling) you feel. Tell me more about the (content) .
- It’s really _(feeling)_ when _(content) .
- You must have felt (feeling) when (content) .

These responses let the worker know that the supervisor is trying to understand both what the employee is saying and the emotions felt.

Summarize

In this stage the supervisor closes the discussion and communicates to the employee what he or she can next expect.



In most cases, this includes a detailed letter outlining the benefits the organization will provide for the worker (e.g., severance packages and ways the firm will help employees with job transition). More mundane matters might involve telling the worker that his or her computer access will be terminated at a certain time and day and relaying information regarding use of the company telephone and available printing resources. Managers should provide laid-off workers with fair recommendations to future employers. Providing outplacement assistance for employees is a critical part of managing the transition process. These services can be provided by company career centers or can be outsourced to either public agencies or private firms. One outplacement intervention that has been demonstrated to be helpful to displaced employees is stress-management training (Nelson & Burke, 1998). After employees are notified of the layoff, they must tell their families that life will change. It is important that they understand the resources that the company will make available to them and what benefits they will receive and for how long. This symbolic act will enhance feelings of trust.

After summarizing the conversation and telling the employee the next steps, consideration should be given to the mode of exit from the termination interview, since such dynamics are likely to affect perceptions of respect and trust (Lewis & Weigert, 1985). Individuals may be allowed to leave individually or may be escorted, and their exit from the building may be either private or public. For example, in the case of security escorts, a guard may be able to take the terminated employee down a back hallway or use a service elevator that allows the employee to leave in a discrete manner. Alternatively, the guard may escort the terminated employee through the work area and directly out the front door.

Post-SPIKES Interview Considerations

A key activity associated with the interviews with terminated employees is reassuring surviving employees—those who were not fired. When someone gets downsized, the word tends to spread quickly. Survivors cannot help but wonder what the future holds for them. Will they, too, be let go? To the extent that uncertainty may breed distrust and spin off rumors, it is wise for supervisors to provide appropriate reassurances about the future. Such explanations can not only help layoff survivors feel better about their own futures, but about the company, as well (Caplan & Teese, 1997).

CONCLUSION

For many organizations today layoffs are inevitable. Organizational leaders, however, must come to terms with the fact that the manner in which they downsize their operations affects employee motivation, team performance, and organizational effectiveness. To assist managers in conducting termination interviews we have offered suggestions that incorporate respect for the individual following a widely used medical protocol—the SPIKES model—that medical professionals have used in delivering unpleasant news to patients. If managers take the time to master the SPIKES protocol, they can come through the crisis with their business reputation intact and their remaining workforce productive and happy. We have offered this rubric because it provides valuable lessons learned from medicine that can be applied to delivering bad news in business.

Interwoven throughout the SPIKES protocol is an emphasis on organizational justice—employees' sense of the moral propriety of how they are treated. Justice defines the very essence of individuals' relationships to employers. In contrast, injustice is like a corrosive solvent that can dissolve bonds within the community. Injustice is hurtful to individuals and harmful to organizations. This is because resizing threatens the sense of fair play among employees. For victims and survivors alike, a downsizing erodes the assumption of fairness (justice) in the workplace, as they wonder why leadership could not stave off the dreaded event or identify some alternative course of action. For these reasons, justice considerations (Cropanzano et al., 2007) were highlighted, particularly in terms of procedural justice (appropriateness of the allocation process) and interactional justice (appropriateness of the treatment one receives from authority figures).

It is recognized that the approach offered here may contrast sharply with advice typically received from the legal staff. Indeed, Wood and Karau (2009) argue that most organizations approach downsizing interviews from a defensive,

legalistic framework, rather than from an ethical perspective focusing on respect for persons as embodied in Kant's (1785/1997) ethical theory, which suggests that we should always treat others as an end, not as a means, and, further, that an act of disrespect toward one person is an act of disrespect to all. We do not suggest that organizations not consider legal implications, but that there be a greater balance between legal and ethical perspectives, and that firms should move beyond a mere legalistic orientation and pay attention to the way it dismisses people, since there are serious reputational and financial costs involved in the termination interview. Bayer (2000) reminds us that a termination affects not only the individual but also the "dozens of others who can influence the company's image and ability to hire" (p. 4) in the future, as well as the organization's reputation in the market, and that "care and compassion" can mitigate the negative consequences of a layoff (Mantell & Albrecht, 1994; Rothman, 1989). Thus, how an organization conducts RIFs, and the manager's demeanor during these layoff interviews, can have a significant impact on an organization.

Layoffs involve "winners" and "losers" because some individuals are downsized in the face of business exigencies while others are not. The SPIKES protocol acts as a buffer that allows employees to maintain respect and trust for an organization even when things do not go as they would have liked (Brockner & Wiesenfeld, 1996). It is inevitable in life that things will not always go our way. However, the negative effects of an unfortunate event are less severe if an organization is able to effectively communicate bad news. This is sound advice. It is also the right thing to do.

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