Ep #237: How to Fire Someone

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With Your Host

<u>Brooke Castillo</u>

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Welcome to *The Life Coach School Podcast*, where it's all about real clients, real problems and real coaching. And now your host, Master Coach Instructor, Brooke Castillo.

Well hello, my friends; excited to talk to you today. I have a very awful topic, and it's one that's kind of random for my podcast because I'm *The Life Coach School Podcast*, I teach you how to coach yourself. But this is one of those topics that I get asked about a lot and I think it's so important that we understand it because, chances are, if you're an entrepreneur, you will have to fire someone.

And if you're not an entrepreneur, there's a chance that you would have to fire someone, if you're an executive or a manager, or that you could be fired. And so, I think it's a great metaphor for life and for how we handle relationships and people and I think I have quite a bit of experience in this area.

So, I want to start with just the truth here, which is, I have, in the past year, hired and fired more people than most people will in a lifetime. And if you guys remember, if you've been following me, at the beginning of this year, I was determined to hire a CEO. And the reason I wanted to hire a CEO was so they could take care of hiring and firing and managing and processes and all of the things that I didn't feel that I was good at, and I was super excited to hire someone to do all of that.

And I did a lot of interviewing and a lot of hiring and a lot of trying to get someone to do that for me, and for whatever reason, it just didn't work out. And it's a blessing now. I'm super proud of myself for how I've handled myself this year and for especially doing all the work I didn't want to do. I didn't want to be a CEO. I didn't want to hire people, I didn't want to fire people, I didn't want to create processes, and I did all of that and I really pat myself on the head. I'm like, "Nice work, woman, for doing all of that."

But in the process, I have made lots of mistakes and I've done a lot of things right. And one of the things that's really fascinating is I've had to fire quite a few people, mainly because of the way we set up our hiring

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process. So the way that we set up our hiring process is that there's a three-month trial before you're hired as a permanent employee.

So if the three-month trial doesn't work out, I, in essence, have to fire the person, even though there was no guarantee of a long-term job there. So I've actually had to do it quite a few times and I always say to Chris, my business partner, "Why am I the one that does this?" He's like, "Because I would never fire anybody." Which is really fascinating because Chris and I went to this conference one time and they were talking about scaling up your business.

And one of the questions that the guy asked was, "How many of you would rehire everyone on your staff again?" And Chris and I were the only ones in the room that raised our hand. And we were telling the truth, and the reason why is because if we wouldn't rehire someone, we end up firing them. They end up not being part of our organization.

And that was really telling to me because - and what he said was that people don't have the ability literally, the skill set in order to fire people and they take on so much emotional baggage that they end up keeping people that aren't a good fit for their organization, which is miserable for both parties. It's miserable for the manager that's managing the person that isn't a good fit for the organization.

So I actually had to fire - I didn't have to, but I did, my very best friend in the world from high school, Erica. Many of you knew her. She started with me in Scholars, she's my best friend. I always laugh and tell everybody that we had a prenup, which we did when I said, "Hey, I will hire you for this job, I think you'll be great for it, but we have to have a prenup, I might end up firing you and we just need to make sure that our friendship is number one."

Because one of the things that Chris and I have agreed to as a rule in our organization is that you never hire anyone you can't fire. So it's challenging to hire your sister and your mom because it would be very challenging to fire them, and it was - Erica is basically my sister. She's been part of

everything in my life and so hiring her was super exciting and firing her was super awful.

So I feel like anyone after firing Erica is easy for me. Now, when we say easy, I want to tell you that what I really mean is excruciating. And I was talking to one of my friends and confidants, and I was feeling so sick to my stomach because I had to let someone go that wasn't working out in our organization, and I told her, I'm like, "I just want to stop feeling this way." And what we decided together is that that's not true. I always want to feel that way when I fire someone. I always want to feel sick to my stomach because it is a very big deal.

And it is someone's livelihood and someone's - possibly their dream to work at The Life Coach School and I want to make sure that those decisions are heavy and that I take my time with them. And the truth is most people take way too much time with those decisions and they're basically avoiding the confrontation and avoiding firing people, and that's not healthy for anyone.

So one of the things that I always say to anyone who comes on to our organization is you will always know where you stand, you will always know the truth, you will always know what's really going on in my mind if you're working directly for me and I want to know what's going on in your mind if you're working directly for me. Because there's no way that you can perform or be an employee at the level I want you to be an employee if you don't know what I want or what my expectations are. So it's really important that the expectations are clear and that the feedback is regular and very specific.

So I'm going to kind of go through the process that I have followed, and I want to encourage all of you who are entrepreneurs or managers that you become very good at firing people. And what I mean by that is that you do it with dignity and grace and love and you do it when you know you should and you don't prolong it. If you don't fire people that should be fired, if you don't let them go when they need to be let go, what you're in essence doing is dragging them along. And it ruins the integrity of your organization when

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you do that, especially if you know that you should fire them and especially if you talk to other people in the organization about it.

Once you've gotten to that place, I think it is completely unfair to keep someone on board that isn't performing at the level you're expecting them to in the organization. So here is a great question that will help you know whether you should fire someone or not. And fire is like, a very strong word and we like to soften it a lot by saying, "Oh, we're letting you go," and I will use those terms interchangeably, but I did use the word fire on purpose because that is what we're doing and it should feel, I think, profound in that way.

So here's the question that will help you decide whether you should really fire someone. The question is if they were to quit, would you fight to keep them? Would you offer them more money? Would you sit down with them and try and talk them into staying? Or would you be relieved?

That is a really important question. And if the answer is you wouldn't fight to keep them, you have to ask yourself why. Why are they here? And make sure that you're really clear with your own answers. And I want to relate this to a lot of the teaching that I do in relationships with spouses, where a lot of people try to destroy their relationship so they have an excuse to leave.

And I see this happen with employers and employees a lot where they basically set the person up to fail and they destroy the relationship and make it so it's adversarial before they ultimately fire them, and I think that's completely unnecessary and I think it's terrible for the culture and it's terrible for both people involved.

So here's what I want to make sure you remember through the entire process of managing people and hiring people and firing people. There are the people and there are the things that they do in the job. You must keep those things separate. The people in my organization that no longer work with me because we've let them go, I'm on great speaking terms with all of them. Many of them are still working for me as contractors. Many of them

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are still my students, many of them are still very good friends of mine because I am able - my best friend is still my best friend.

I am able to separate out the person whom I love from the job and the behavior within the job. The other thing I want to offer is my organization is ridiculously challenging. I have huge expectations and a requirement for a very high capacity and efficiency and that sort of thing. So the expectations are super high. So when someone doesn't fit into our organization, it has nothing to do with the kind of person that they are or whether they're capable of doing a great job.

If they got hired by my organization, they're already awesome. Period. And every single person that I've ever hired I would give a recommendation for another job. Hands down. But they just may not be able to keep up within our organization or sometimes it's just not a good fit and we can't even put our finger on it. It's just not quite right, we just don't have the right position for their skill set, which happens, right?

So here are the reasons why and I'm going to go through a list, here are the reasons why somebody needs to be fired or why they should be fired, and the first reason is a super bummer because it's your fault as the employer, as the manager. Number one reason is you haven't managed them well. You haven't set the expectations clearly and you haven't managed them to your expectations.

Now, when this is the reason why you're considering firing someone, you want to check yourself. Have you been clear? Have you set very clear expectations that are measurable, and have they not met those expectations even though they've been very clear and the job description has been very clear?

Often the answer will be no, you haven't been clear with them on what is expected and you haven't been clear with them on the job description. I have for sure have been very guilty of this in my start up entrepreneurial venture here because the truth is I don't know what I need them to do. We're going to figure this out together a lot of the time.

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And so the people that I hire have to be willing to learn by doing and to learn by making a ton of mistakes to see if we can figure it out and see if it's a good fit. So it's like, this big experiment people are agreeing to do with me. And so a lot of the times when I let someone go, it's 100% my fault because I haven't managed them clearly, I haven't set clear expectations, and we haven't been able to figure it out together. And I usually explain that to them very clearly.

The second reason why you might be considering firing someone is they're just not in the right job in your organization. So the first one is you're just not managing them well. The second one is they're a stellar employee, they're totally awesome, you want to keep them but they're just in the wrong job. And this has happened a couple times within my organization where I realized, wait a minute, what is this person's skill set, what are they super good at, where are they thriving and is there a job position that I have for them that would be a better fit?

Now, sometimes I don't have it. Like, I know that I have a great employee but I just don't have the job for them, and that's important to acknowledge, like, this person is the right cultural fit and the right - for my culture, it's you have to be blue-collar, an example of what is possible, and you have to know how to have fun. Those are our three main values at The Life Coach School.

And so sometimes we get a person that has all those three. They're just in the wrong job. Maybe it's a technical job and they're not very technical or maybe it's a forward-facing person job and they're not very personable. Something like that. And I don't have a position for them. And when that happens I say to them, "Hey, we just don't have the right position, we've kind of grown you out of the job that you were in, you're not a good fit for it but I would hire you in a heartbeat if we do have the right job." And that's happened a couple times too.

The third reason why you may need to fire someone is they don't share your values. And this has been the most common reason for me to fire people is that they don't have the blue-collar work ethic. And I want to

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explain to you like, for my organization in the beginning, I didn't even know that was one of our values. Chris and I are very blue-collar mentality in the way that we define that. We know what we mean when we say that is like, we got to work, we put our head down and we just go.

We don't spend a lot of time talking about working, we don't spend a lot of time talking about meetings and planning meetings and sitting around and thinking about how to get things done and spending a lot of time making charts about how to get things done or planning meetings to plan meetings. Chris and I have both worked in corporate America. We met at Hewlett-Packard, and we would call that a very white-collar mentality where there's a meeting about the meeting.

There's a meeting to plan the meeting, it's just such a waste of time. And what we perceive as a blue-collar mentality is you just go and you just get to work and if it doesn't work, you try something else. If it doesn't work, you try something else, and you're just always working. And so what that means is we don't spend a lot of time preventing mistakes. We actually spend a lot of time making mistakes. And that's a big, big difference.

People don't see that as "intelligent," but that's how we like to roll so that's how we do roll. And some people really thrive in that environment and some people don't. And so if someone is in your organization and they don't meet your values and you know what your values are and they know what your values are, then it's a no-brainer. They're just not a good fit. Next. Period.

The other reason, the fourth reason that I have is everything is fine but it's not great. That is a good enough reason to let someone go. And I think people think things have to be terrible to let someone go. They have to be doing things that are really wrong in the organization. They have to be making horrible mistakes that are costing you money, and I totally disagree. I think that if somebody is just doing their job at the minimum and everything is fine, they have no real place in my organization.

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One of my values is you're an example of what is possible, which means you're always doing an extraordinary job. And so we have no passengers on our bus is the way that we like to describe it. Nobody's just doing their job. They're always thinking about how can we make this better, constant and never-ending improvement, always showing up and doing the very best version of themselves for the organization and for themselves. So if everything's fine and not great, that is a good reason to let someone go, in my opinion.

The fifth reason may be that you just didn't hire well. And again, this is one of those things that is on you. This is one of the things that happens to a lot of executives and a lot of entrepreneurs is that we hire people that we like and we hire people that are like us. And often, what we need is someone that isn't like us because we're like us, right?

So we need someone that isn't like us. If we're not very detail oriented, we need someone that's detail oriented. If we're super-fast thinkers, we need someone that's slower of a thinker. We need someone that thinks in a different way. And so in the hiring process, it's really easy to not click with people that are different than us and therefore not hire them, and to hire people that we have good conversations with but won't necessarily be a good fit for the job.

So the best way to hire well in my opinion, and I talk about this in Scholars, I have a whole video on it, but one of the best ways to hire well is to give them a project that before you hire them, that is similar to what they would be doing in the job. The other thing that we do is we hire people for a three-month trial before we bring them on full-time.

We've had a couple people that already had full-time jobs, so we had to bring them on part-time while they were still working in their full-time job just to make sure it was a good fit, but when you can have someone come work as a contractor for a three-month trial, that clears up a lot of any kind of interview infatuation. You're giving them actual work to do. They're working with your team, you're seeing how they fit in.

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So a lot of times you end up having to fire someone because you didn't do a good job hiring them. And I want to tell you that the more people that you've had to fire, the better you get at hiring because firing's awful. You don't want to do it, and so you want to make sure you're careful on the front end and you take your time so you don't have to find yourself in a position where you're letting someone go.

And the final reason and this is one of the major reasons why we've had to let so many people go in such a short amount of time is that the business has changed. So I remember I went to a conference one time and the guys that were running the conference said, "The people that you start with are usually not the people that you end with in terms of growing your business."

And I remember thinking at the time, "Well, that is not going to be true for me because I love my team and they're so awesome. I know that they'll be with me forever." And the truth is, the only person that is still with me that was with me at that time is my husband, Chris. And he's my business partner.

And so what I learned was is that in the very beginning, the people that I hired needed to be hustlers, needed to be scrappy, needed to be able to put out lots of fires because we were really running like chickens with our heads cut off all over the place. And so we had this atmosphere that was very like, we don't have time to think anything, just do the best you can with what you've got.

And then as I started to need to put in processes and hire more people, those people were not the right people. I was so frustrated with them. Why won't you write processes? Why won't you follow my narratives? Why don't you communicate better? And they're like - they were already just in, wait, aren't we still putting out fire mode? So that was really interesting.

As my business changed, we needed different types of personalities, different types of energy within the organization. And that's a very legit reason for needing new people. And some of the people grow out of the company and some people, which we've had happen, and they've gone on

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to do their own businesses and done very well, and other people, the business kind of grows out of them.

And so being able to understand like, you used to be my superstar but don't hang on to that history if it's no longer serving, right? So I had this amazing employee that I loved so much and she was like, always cleaning up all the messes and super good at being the hero and being the superstar, but then when we stopped having messes and stopped having fires, it was almost like she wanted to create them so she could be the superstar again. It was totally fascinating to watch our interaction and how it was like, so confusing how much it had changed.

So growing together within an organization is actually, I think, quite challenging. I know for me, just me having to change as much as I've had to change to stay in my own business, like, that's unrecognizable from where it used to be has been incredibly challenging for me because I'm an entrepreneur. I like putting out fires. I like hustling. I like doing quick start stuff. I don't like sitting around having employee meetings and doing interviews and writing processes and job descriptions. That is not what I would choose to do but that's exactly what my business needed me to do.

And so I was able to do it and now I've kind of set it up. Now, one of the things I'm going to share is that I have set up my business so it is pretty much self-managing. I'm not kidding. I wanted to set up an organization where I wouldn't have to be involved in every little thing, and I'm creating a program on it called the Self-Managing One Sheet company, and everything is on one sheet. Really simple to follow, lots of filters, lots of ways to manage people and I'm excited to share that with you probably coming up within the next couple months.

Okay, so those are the reasons. You haven't managed them well, they aren't in the right job, they don't share your values, everything is fine but not great, you didn't hire well, or your company has changed. Those are all reasons that you may fire someone. And if somebody makes an egregious mistake or they completely violate your company culture or something like that, those are the more severe, more obvious reasons - someone

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embezzles from you - that I'm not really including here because I feel like there's plenty of information on that.

What I want to do is really give you permission to part ways with someone early instead of later and just to be super honest with them. So the next thing that you want to do is once you've decided that yes, you should fire this person, you wouldn't fight for them if they quit, you wouldn't hire them again if you were presented with that decision again, then you need to do your work on your own emotions about it.

Because a lot of times, what I hear people say is like, well, I don't know how they're going to do financially and I don't know if they're going to be able to go get another job or I don't know if they're going to be mad at me and they're going to hate me. There's just so much drama around it that is totally irrelevant to your organization.

Your emotional connection to the person, your thoughts about them personally, all of that has to be cleaned up and you need to focus on your reason why they aren't or no longer a good fit for your company and why you are letting them go, and work on your own emotions about it.

Now, that's not to say you're going to feel great and happy and joyful when you fire someone. You never should, in my opinion. I always want my tummy to hurt, but I also don't want you to feel like you have to justify the decision by vilifying them. That's the other thing that I see a lot of people doing is they want to let someone go, maybe just because they're not a good fit value wise, maybe they just don't have the skill set, or let's say they're doing fine but not great so you want to let them go.

And you don't feel like you can reconcile that so you want to vilify them so you can justify the reason, right? I see this happen in a lot of relationships too. They want to hate their husband so they can justify leaving. I always say, you can love your husband and still leave. And that's what I've done with every single one of my employees is I've loved, loved, loved them and told them it's just not a good fit anymore. And we've been able to have like, lovely warm conversations.

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I don't have to vilify them, I don't have to tell them how horrible they are, I don't have to run through a list of really negative things about their character and why I'm firing them. It's just not useful at all. I think giving really positive, constructive feedback can be useful if they're still going to be working with you, and if they're working towards improving something. Otherwise, I think it's super important for you as the employer to take full responsibility for your decision and not to blame them or vilify them.

I think it's important to find your way to love, value, and compassion before you have that conversation. Remember, there is the person who you are communicating with that is very separate from their behavior within your job. And you can love the person and have tons of compassion and understand their value as a human and maybe you're not seeing their value as working at your organization but who cares? That has nothing to do with who they are as a person and they should always be treated with respect and dignity and grace and honesty, in my opinion.

So you know, and this is what - when I let my girlfriend, Erica go, and we told her why we were letting her go, we told her why we loved her and we took real full responsibility for the decision and this is why we are making this decision for our organization and not against her, it made it so it was just much more of a lovely conversation than shaming her or blaming her in any way.

And she had made some mistakes in the business, but who cares really at that point? It was like, yes, those mistakes were enough that we didn't think she was a good fit, but sitting there and hounding on those mistakes while we're letting her go was not useful. It wasn't going to change anything so what we did is just took all the responsibility back from that and owned it and told her in just a really, I think, way that made her be able to communicate back to us.

And it actually ended up being just such a super positive, wonderful exchange that we were able to move from with no hurt feelings and no bad feelings. I am so proud of that. I feel like being able to maintain our friendship has been important and I've had some other employees that I

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absolutely adore and love and I've had to let them go and I felt like that in a really honest, warm conversation.

Now, I obviously don't know what they were experiencing, and maybe they experienced it differently, but I haven't had anyone that has like, cut off communication with me or sent me negative things or said negative things to me. All the people that no longer work with me I feel like we've been able to contact - a couple of the people I've been able to hook up with other jobs and recommended them and it's felt good. And I think the reason why is because I've separated the person from the job and let them know I love you, you're amazing, we'll still totally great. This skill set or this behavior doesn't work in my organization but you work and you're valuable.

And I think you don't necessarily have to say that out loud to the person but when you're thinking that way, you will treat them in a way that doesn't need to vilify them. So obviously I always check with my attorney and get his advice before I do anything that could have a legal ramification in my company and my attorney, what he would say to me always is you know, do not offer an explanation as to why you're firing someone. Just tell them it's not working out.

And I never follow this advice, that I'm not recommending you don't, but I always like to explain to everyone the truth about what's going on and what's going on in my mind because I think it's important. And I get very close to the people I work with and I feel like I want to share the truth with them. And if that means that I've exposed myself to something, so be it. And I know I'm going to get lots of emails from you attorneys telling me I'm crazy and I understand, but I feel it's important to not leave people to their own story making devices.

Because I know for sure if I got fired and nobody gave me a reason, I would make up the worst possible story about myself and I just don't think that's necessary and I don't want to do that. So I think because we take responsibility for the decisions that I'm willing to continue to take responsibility for those decisions.

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So I just want to let you know that whenever I go through this process, I write down all of my thoughts and all of my facts and all of the feedback that I have. I always have long lengthy discussions with my husband because he always gives the other person the benefit of the doubt. So we're able to have conversations that lead me to a deeper understanding.

I always go to the place of valuing them and having gratitude for them and then I'm very specific on the next steps. And I'm very clear with the person that I have let them go. I have seen people fire people where the person didn't know that they were fired.

So I'm sure you guys have heard these stories where you're trying to be nice about it, you're trying to be soft about it and so you're beating around the bush or you're trying to pretend like it isn't the case or you're afraid the person will get mad. That is, in my opinion, not okay. Like, you need to let the person know your last day is this day. This working relationship is over, you are no longer employed by our organization and just be like, very factual about that.

Even though you're being kind, you need to make sure that you're clear. That is really important because I think that would be pretty excruciating to think that you fired someone and then have you realize that they didn't even realize. So you need to be decisive and very clear.

One of the things that I do personally, that I think is lovely and other people disagree with me on is I like to let the person know in writing before we have the conversation on the phone. So I will say to them, I want to talk to you about this in person but before we do, I kind of wanted to give you the information so you can process it before our call.

And every time I've done that, people have written back to me and said I really appreciate you giving me time to process this and to think about it before we have the conversation on the phone. And then they can come to the conversation not being so emotional, if they're emotional, and they can have like, clear questions to ask.

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Sometimes when you tell someone on the phone, they're so shocked and freaked out that they don't know what to ask or what to do and I think that's unfair. So if you are worried about someone sabotaging you or your company and you don't want them to have access to your things once you let them go, I understand that that's different and you might need to take steps to do that.

But when it's a situation where that's not the problem, I recommend that you let them know in writing before the call. That's just my personal thing. And I think the chance of getting sued is higher when you don't treat people like human beings. I think that anyone who has put their hand up to work for my organization, who has had any service within my organization will be treated with the utmost respect that I can give them considering the situation. And really making sure that we treat people as human beings is, I think, way more important than the possibility of what we could be totally terrified about.

And finally, I just want to offer that it's important to listen. If someone is angry at you or defensive or attacking you because they feel like they're getting fired unfairly or they have negative thoughts about you, oftentimes that's a reaction that they're having that's totally about them, but there also could be truth in there about you. And you want to make sure that you get the opportunity to take it in.

And that's why I think taking responsibility for all of those decisions is so important. I didn't do a good job hiring or I didn't go a good job managing or I wasn't clear about what the values were or I waited too long to let them go, I think is uber important. I think when you can own that and take responsibility for that, there will be much less blaming and much less of a reason for the person to be defensive and try to prove their worth, which is completely unnecessary because they are 100% worthy even if they're not a good fit for your organization.

So I hope that my input on this has helped you. I know that it's not the standard rules that they give you when you go to corporate America, and I honestly don't care. I want to run my organization that way I want to run it,

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and I want to listen to counsel and also have my own counsel and have my own decision-making and live with my own decisions.

So that is how I roll and I hope that if you have to let someone go, I hope your tummy hurts. I hope that you let it weigh on you heavily, but I also hope that you don't delay doing it if you know that it needs to get done. Do not drag people along in your organization. It weighs the organization down, it weighs everybody else in the organization down, and it weighs you down. It's completely unfair to the person.

So if you've been thinking about doing it and you know that it's right, you just ask yourself this question: if they quit today, would you fight to keep them or would you be relieved? That's a great way of knowing whether it's time to let someone go, and there may be someone else in the world that would be the perfect fit for that organization that isn't working for you because there's not an open stop.

True that, my friends. Have a wonderful week. Talk to you soon. Bye Bye.

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