

Issue Brief #3

Termination Do's and Don'ts: Tips for Handling Employee Separations

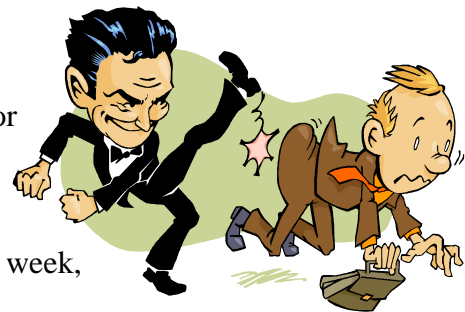
Conducting employee separations or terminations -- be it when an employee is discharged (fired with cause), laid off (perhaps due to an economic downturn) or voluntarily quits on his/her own (leaves for another job) -- can be one of the most stressful situations a company owner or personnel manager confronts. Emotions often run high. Discussions can become heated. Needless to say, employee separations are crucial to get right, situations that should be handled with care. They are loaded with pitfalls due to their highly charged nature, occasions that directly impact a person's economic livelihood not to mention personal sense of self worth.

To minimize the possibility of wrongful termination litigation, as well as to make a better case when fighting unfounded and illegitimate unemployment claims, employers should strive to adopt fair employee practices and thoroughly document separation procedures. Such upfront planning and foresight can serve to fend off damaging legal actions down the road.

As part of its HR Document Library, accessible online at pdrutah.com, PDR has a number of forms (e.g., disciplinary action, progress report, exit interview, etc.) that are helpful in documenting the employee separation process. We also are available to offer insight and advice on how to approach sticky employee separation issues.

Discharge Tips

1. Build a sound and solid case for termination (review any prior disciplinary actions, past interventions, steps taken, etc.).
2. Prepare a written termination letter for the employee (it may be advisable to consult legal counsel in drafting this).
3. Plan the meeting (best to avoid scheduling it for end of work week, afternoons usually best).
4. At the meeting, get to the point (be honest, be brief, be specific).
5. Emphasize performance has yet to improve (remained substandard), any additional incidents.
6. Get ready for reaction of shock, and or emotional outbursts (be sensitive).
7. If appropriate, offer the employee to resign instead of being involuntarily terminated.
8. Give the termination letter to the employee, for review and signature.
9. Conclude the meeting, going over any remaining items (final paycheck, vacation cash out if applicable, continuation of benefits, etc).
10. Ensure proper return of company equipment and materials, escort employee from premises.



Layoff Tips



- Prior to the meeting, establish a business reason and document what you are looking to accomplish with the layoff. Document what has put your company in this situation, i.e., economy, industry, regional location.
- Avoid discussing any type of potentially discriminatory issue. Be cautious of sticky issues with age, sex, disabilities, or minority status. There must be a valid reason to layoff that pertains to the position or your company's situation. Make sure you are objective, and the layoff is not affecting one group more than any other.
- If you offer a severance package, make sure it is drafted properly; legal counsel or HR personnel should review the package for accuracy and soundness.
- When communicating news of the layoff, make sure you have the person's manager and / or HR representative in the room to document the process, answer any questions or address concerns.
- Don't go too much into the details. Inform them when the date of the layoff is effective, give them job counseling or referral to a temp agency (if possible) and use objective metrics to explain reason for layoff (i.e., sales figures over the past year not met, falling company financials).
- Be honest, be consistent, and be objective. Be respectful as possible and don't make false promises or over praise them or their past performance.
- Communicate with your remaining workforce immediately after the layoffs. You want to continue to motivate them, yet be honest (e.g., about the economic downturn that put you in this position). Ensure those taking on new responsibility will receive the proper training, and reassure those remaining that you will be upfront and honest and communicate with them as much as possible, but do not guarantee their will always be a future with your company.

Voluntary Quit Tips

- If leaving on good terms (e.g., two-weeks notice was given, an amicable departure), complete an Exit Interview with the employee -- an opportunity to receive constructive feedback on the company; consider indicating to departing employee s/he might be eligible for rehire, that you'd be willing to serve as a job reference.
- If no advance notice was given (e.g., no call / no show), keep an eye out for any future unemployment claims being filed -- you will want to fight them, noting that the employee initiated separation and thus should not be eligible benefits.

