



INNOVEST SME
Accelerating Small Business

Staff Termination Procedures

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*Effort only fully releases
its reward after a person
refuses to quit.*

NAPOLEON HILL

PREFACE

Having to fire an employee is never an easy task. Sometimes, despite attempts of open communication and encouraging performance, an employee will need to be terminated from the company. One of the hardest aspects of preparing to fire an employee is to separate the emotions from the facts. Firing an employee should always be a last resort, so it is important that the manager has covered all other avenues possible before moving forward.

*You have to be responsible
when you're running an
organization; and firing
people who are your
friends is part of that
responsibility.*

BEN HOROWITZ



PLACING AN EMPLOYEE ON A PERFORMANCE IMPROVEMENT PLAN (PIP) BEFORE FIRING

An employee performance improvement plan (or PIP), also known as a performance action plan, is a great tool to help employees that are struggling with performance, while still holding them accountable for their past mistakes. A PIP can help managers and employees determine a pattern of performance and can identify areas that may need more improvement than others. Through feedback and one-on-one communication, PIP should guide the employee toward the right track and away from any poor performing behaviors.

JUSTIFICATION

The first step to creating an effective PIP is to establish why the PIP is being implemented and what the employee should gain from it. Typically, PIPs are put in place when it is shown that an employee is performing poorly and will need some form of improvement before moving forward with other forms of discipline. The PIP should be specific as to what areas

need to change or improve and should create some sort of outline for the employee. The manager should discuss with the employee why their performance needs to change and what will happen if it does not. Outline the path of consequences that can occur if there is not improvement, including termination.

VALIDATE

After the PIP has been fully explained and the benefits as well as consequences have been defined, the manager should ensure that the employee understands why they are being placed on the PIP and if they know what is expected of them. Once the employee has been notified of their placement on a PIP, the manager should ask the employee if they have any initial questions or have any feedback they'd like to offer up front. Some employees may wonder why they are on a PIP for certain behaviors and will need clarification on what actions are not working for them and what areas of behavior will need to change. The manager should always obtain some form of confirmation that the employee understands why the PIP is necessary and why they will need to participate.

INCLUDE

The manager should bring out the basic guidelines of a PIP and should explain to the employee why the PIP is being utilized for them. While some actions are created by the manager for the employee to follow, it is important that the manager include the employee in ways of creating solutions to the problem at hand. Ask the employee how they think the

problem can be resolved and how they perceive putting their plan into action. If the employee is unsure how to handle the situation or how to improve their problem, offer feedback and advice, but don't answer the problem for the employee. Allowing the employee to take place in their own PIP and define ways they are capable of improving themselves allows them to have a greater stake in the plan and will feel more confident about undertaking the massive changes outlined for them.

BE GRATEFUL

Managers know that a PIP is best used for creating improvement methods for employees that are showing poor performance in certain areas. PIPs are most commonly associated with employee problem areas. However, when discussing a PIP with the employee, it is important to also include forms of praise and positive feedback as well as problem areas. Acknowledge the employee's prior achievements and give credit to their previous positive behaviors. Let the employee know that while you can recognize the good work they have done for the company, their recent behavior or performance has caught your attention and needs to be corrected right away. Employees will be more likely to fully participate if they know that their positive qualities are being noticed by management, and not just their negative aspects.

PRACTICAL ILLUSTRATION

Joseph was reviewing one of his employees, Yvonne, and noticed a trend of poor performance on her telephone surveys. She was taking too much

time to complete the survey and was not gathering enough information from the caller. Joseph called a meeting with Yvonne to assign her to a performance improvement plan, or PIP. Once in his office, Joseph reviewed the information he had with Yvonne and outlined what areas she needed to improve while on the PIP. Joseph made sure to compliment Yvonne on her great customer service skills and praised her ability to connect with the customer during her surveys. He asked her how she thought she could improve the problems she was having. Yvonne offered suggestions such as altering her script and learning better ways to lead the customer through the survey. Together, Joseph and Yvonne created a PIP that would help Yvonne improve her scores over the next six weeks. When finished, Joseph warned Yvonne that if she was unable to improve her scores within their timeframe, further disciplinary actions would occur and could lead to her eventual termination.

*One of the tests of
leadership is the ability to
recognize a problem before
it becomes an emergency.*

ARNOLD H. GLASCOW



EMPLOYEES WHO SHOULD BE TERMINATED I

Every manager is familiar with how to identify high-performing employees and know various ways to keep them motivated. However, many managers are unaware of how to identify employees that will need to be terminated from the company. When certain traits and behaviors become easy to recognize in problem employees, the manager will know right away who to eliminate from the team, when necessary.

FEELING OF ENTITLEMENT

There is always that one, or many employees that will develop some sense of entitlement during their career time with the company. Entitlement can manifest in several different forms, but have the same usual, noticeable traits, such as overestimating talents or achievements, an overbearing or demanding attitude, blaming others for personal mistakes, a low sense of team loyalty and a resistance to receive or give feedback. The sense of entitlement can hit any employee, but is typically seen in either the younger generation, who were raised to always be a winner, or in the tenure employees, who feel as though their many years at the company make them invaluable and require less work from them. While it is important

for employees to feel confident in their duties, a sense of entitlement can damage the team from within. It is important to correct this problem in the beginning, or the employee will need to be removed.

CANNOT PERFORM JOB FUNCTIONS

When an employee is hired, they are expected to be able to perform certain job duties and functions; most of them are even outlined in the interview. Many companies have a training period and some sort of probation period in which the employee has time to learn and adapt to their job roles. However, whether the employee is new or experienced, they must be able to perform their essential job functions. If an employee is part of the team, they must be able to work alongside co-workers and do the job they are assigned to do. If they cannot, for any reason, they can be terminated since they are no longer a functioning part of the company.

Of course, it is wise to consult with a lawyer or consultant regarding the American's with Disabilities Act (ADA) or Disability Discrimination Act to ensure the company is following all guidelines possible in the workplace. While some employees may need some accommodation to effectively perform their duties, they must still be able to essentially perform their job functions. If they cannot, even with special accommodations, they can be terminated without legal recourse.

CAN'T FUNCTION WITH OTHER EMPLOYEES

The company and its employees are essentially a functioning team in which all employees and departments depend on each other to perform correctly. However, sometimes the 'team' has one member that is unable to work or function with the rest of the group. This can occur for many reasons, such as if the employee has behavioral problems, if they refuse to work with co-workers, or if they feel some sort of superiority and attempt to 'boss around' their co-workers. A person with these types of traits can harm the team function, causing employees to turn against each other or fight with one another. Additionally, the employee that is not functioning with the group is most likely contributing the least, so they are not pulling their own weight and are not working to the same extent as everyone else. These types of employees must be eliminated from the group before they are able to 'poison the well' of the company employees, so to speak.

THEY OVERPROMISE AND UNDER DELIVER

While having employees that are confident and assure you that they can get the work done, be sure to notice which employees will make promises, but not deliver them. Unfortunately, these employees will often develop some form of inflated self-image and begin to believe that they can make large, boastful promises and then not follow through with them. The employee will make promises of performance, and when they cannot deliver, it ruins the functionality of the team or department. Other employees are forced to pick up the slack and deadlines cannot

be met on time. The behavior can be accredited to the need for attention, or the thought that the sheer promise of something will benefit them. Whatever the reason, the employee will continue this behavior until they are ultimately stopped.

PRACTICAL ILLUSTRATION

Kitty was having a meeting with her human resources representative because she wanted to fire one of her employees. Julie, from HR, asked Kitty what actions made her want to fire Tyler, one of the department employees. Kitty began explaining some of Tyler's behaviors, such as his recent development of entitlement which made him become mean to other employees and cause tension among the group. Because of his behavior, he was unable to perform simple tasks or duties with his team, which was putting all of the members further behind in their work. When Julie asked what Kitty had done about the problem, Kitty told her of the various talks she'd had with Tyler and warnings regarding his false sense of superiority. Kitty told Julie that it was obvious to her that Tyler was no longer a functioning partner on the team, and would need him to be removed before he further affects any of the other team members. Julie finished taking her notes and told Kitty she would help her begin the termination process at once.

*Success or failure in
business is caused more by
the mental attitude than
by mental capabilities.*

WALTER SCOTT



EMPLOYEES WHO SHOULD BE TERMINATED II

Sometimes it can be hard for a manager to admit when it is time to let an employee go from the company. It is important to recognize various behaviors and 'red flags' that an employee may display when that are not performing well with the rest of the group. But after several unsuccessful opportunities for improvement, the manager must realize what needs to be done for the greater outcome of the team.

BLATANT DISREGARD FOR CUSTOMERS

Whether your company is large or small, customers are the main component that keeps the business open and working. In the business world, it is said that customers are hard to gain but can be easy to lose. Employees that do not share this belief will soon show in their blatant disregard for the customer and the customer's needs. While the employee may work with the customer for a short period of time, they will not engage with the customer, take concern with their needs, nor will they do what they can to keep the customer satisfied. The employee will most likely avoid or even ignore customers, pass them off to co-workers, or simply refuse to help when asked. Other employees can begin to pick up

on this sense of disregard and come to believe it is acceptable behavior. Therefore, this employee must be terminated from the team – not only to improve employee conditions in the office, but to also gain and keep customers with the company.

THEY ARE UNRELIABLE

A manager must be able to depend on their employees when needed. A manager must be able to trust that an employee is able to complete their job responsibilities with little supervision and without having to ‘micro-manage’ them. However, when employees become unreliable, they fail to contribute and become a poor asset to the team in general. Employees can become unreliable for a number of reasons, such as failing to show up for work, refusing to pitch in or complete their daily work tasks, or being unwilling to help and work with co-workers. Many managers will offer the employee several chances to correct the behavior, such as giving warnings or some sort of demerit. However, if the behavior does not change and the employee remains unreliable to the manager, they will need to be terminated from the team and the company.

DON'T ADHERE TO CODE OF CONDUCT

Every company has some form of conduct policy, which defines how employees should act among each other and with customers and guests. Having an employee code of conduct not only helps protect the company, but it ensures that the employees know what is expected of them as an employee of the company, by outlining expectations and acceptable

behaviors. It is important to uphold this code of conduct for all employees of the company, from the entry level employee all the way to the CEO. If an employee decides that this code of conduct does not apply to them, for whatever reason, they can begin to act out of line by being rude, malicious or even disrespectful to their co-workers and customers. Their actions can influence other employees to follow suit, causing not only poor employee morale, but also poor customer service, so it is important that these employees should be removed from the company.

USE COMPANY PROPERTY FOR PERSONAL USE

When employees are at work, it is expected that there may be some personal use of the company equipment, such as using the desk phone to make a call or using the company printer to print some personal documents. But, when the use of company equipment becomes excessive, it puts a strain on the company and takes away the use of this equipment for business purposes. When employees excessively use company equipment for their own use, it causes the equipment to malfunction sooner, takes away from employee productivity, and can cause a liability when the equipment breaks. Every company should have some sort of policy that addresses the excessive use of company equipment. If an employee ignores this policy and continues to use the telephone to make their own calls, use the copier to copy their own flyers or even use the internet to access social media, then they are becoming a hazard to the team and to the company. If he/she does not cease their actions after being addressed by management, then they must be terminated.

PRACTICAL ILLUSTRATION

Alex has held a meeting with one of his workers, Karen. When she came into his office, Karen noticed Alex also had Helen in the room, one of the representatives from human resources. Alex started the meeting by greeting Karen and thanking her for coming in today. He then jumped to the reason he called her in. He explained to Karen that he has noticed Karen using more and more of the company's property for her own personal use, such as making personal calls and playing games on the internet. Alex also told her that she had become very negligent to the company's code of conduct. He has had complaints that she has been rude and disrespectful to other employees. Karen tried to interrupt and defend herself, but Alex stopped her. Alex reminded her of an earlier meeting they had about this issue, and pointed out that Karen has failed to correct them.

"I'm sorry, Karen," Alex said. "But we have to let you go from the company."

*It's not what you pay a
man, but what he costs
you that counts.*

WILL ROGERS



THINGS TO CONSIDER WHEN SETTING UP THE TERMINATION MEETING

Firing an employee is never a pleasant experience – for the manager or the employee. However, an effective termination meeting can help to (somewhat) diffuse the situation, allow the employee to keep their dignity and ensure the manager is following all of the proper, legal guidelines. The termination meeting should serve as a chance to terminate the employee discreetly, while ‘wrapping up’ certain matters, such as returning keys or badges and negotiating some form of severance or benefit pay.

MEETING ATTENDEES

The main person present in an employee termination meeting should be the employee’s manager or immediate supervisor. They will most likely be the one to fire the employee, since they are most familiar with the reasons for termination, employee performance and the employee’s personality. In most cases, another attendee should be present and can act as a witness or a simple observer. This person is usually a representative from human resources, but can also be another manager or supervisor.

Sometimes, the employee will request this witness to ensure that they are not treated unfairly during their termination. Other times, the manager may request another person to be present to act as a buffer during the meeting, especially if they know the employee may have a temper or attitude problem. However, be warned that the employee may feel as though the company is ‘ganging up on them’ if more than one person is present during their termination, so the manager should use their own discretion when making this decision.

VENUE OF THE MEETING

Once you have decided to conduct an employee termination meeting, you must decide where it will be held. Matters such as termination should be handled privately, meaning it should be out of sight and earshot of any other employees or co-workers. If possible, the meeting should be held in a location that does not alert other employees that something could be happening or raise suspicion, such as a general conference room, rather than the manager’s office. Locations such as manager or supervisor offices or the employee’s office space should be avoided for this type of meeting.

In rare instances, a manager may decide to have the meeting in a location outside of work, such as a restaurant or coffee shop. Some managers feel as though this will reduce the chance of an emotional outburst or other embarrassing behavior. But it is important that the employee still have the option for requesting a witness or wanting to speak with their

human resources representative with any questions, so the manager should weigh the pros and cons before choosing this option.

SECURITY PRESENCE

Before a meeting is established, some managers may request another person to be present during the meeting, such as a human resources representative, to act as a witness and a buffer for both the manager and the employee. If the manager feels as though the employee may become violent or destructive, they can request a company security officer be present during the meeting.

Security is mostly needed once the meeting is over and the employee must be escorted off of the property. In some cases, the employee can be escorted off of the property and the manager can offer to have their personal belongings sent home to them at a later date. In other cases, the employee will want to retrieve their own personal items from their desk. In this case, the security officer should escort the employee directly to their desk, ensure they grab their belongings (and not any company property) and escort them directly to the exit. Since the employee will obviously be upset after their meeting, security must be willing to face and even subdue any forms of emotional outburst or backlash from the employee.

LOGISTICS

Before letting the employee go and having them escorted off of the property, it is important for the manager to review any form final benefits package, including final paychecks, medical insurance coverage and

retirement/vacation pay. Discuss with the employee if they will need to complete any actions to obtain these benefits, such as signing a release for the company or taking part in the company's exit interview. Provide the information the employee may need for continuing certain services, such as phone numbers or brochures for the company's retirement firm. Ensure that the employee has telephone numbers and contacts in the human resources department in case they have any questions or concerns after they leave. Regarding the employee's last paycheck or final pay, the manager must decide the best way to take care of it and let the employee know how it will be handled. Some managers may choose to mail the check after the employee has left. Another option is to have the final paycheck ready for the employee during the meeting so that they can take it with them when they leave.

PRACTICAL ILLUSTRATION

Zelda was discussing an upcoming termination meeting with her supervisor, Kenny. She informed Kenny about an employee she was preparing to terminate, but wanted to make sure everything was in order for the meeting before she spoke to the employee. Kenny first asked Zelda who she will have present during the meeting. Zelda told him she will be the one conducting the meeting, but will also call human resources and request either a representative or security officer to be present as well. She told Kenny she will hold the meeting in the employee training room, since it is farthest from the other employees and is not in use at this time. Zelda asked Kenny to help her gather the employee's final pay and

extended benefits information so that she can give it to him once they are done with the meeting.

“Once I have that information together, I’ll call the employee in for his termination meeting,” Zelda said.

*Coaching is nothing more
than eliminating mistakes
before you get fired.*

LOU HOLTZ



THE CORRECT WAY TO FIRE AN EMPLOYEE I

Believe it or not, there are right ways to fire an employee from a company. Although firing an employee is never pleasant and can cause extreme anxiety, it is important to follow the correct steps to ensure fairness, dignity and some form of understanding between each party.

USE POSITIVE LANGUAGE

When terminating an employee, it is important that the employee does not feel as though they are being attacked or belittled. While your words should not be sugar-coated, there are ways to incorporate positive language into the conversation to ease the employee's anxieties. To start, always be clear of your intentions during the meeting and avoid any form of small talk that is not related to the topic. Thank the employee for coming in. Using the words 'terminated' or 'let go' can be one of the best phrases to use, since it doesn't give any room for confusion. Speak directly to the employee and avoid any personal attacks or accusations. Do not use trite phrases such as *"This is hard for me to do"* or *"I'm sorry to have to do this"*. The employee will not be convinced and may take offense to such generalizations.

REVIEW PAST FEEDBACK

One of the most common complaints from terminated employees is that they say they had no idea they would be fired or do not know the exact reason why. If the manager has only delivered positive feedback and shining reviews, then the employee will undoubtedly be confused as to why they are being terminated. Instead, review with the employee past instances where they've been called into the office, been written up or disciplined for certain behavior or mistakes. This acts as a gentle reminder that there is a pattern in their behaviors and that the problem is not improving, which has led to their termination today.

On the opposite hand, it is recommended that while reviewing past feedback, don't forget to acknowledge any positive feedback or contributions the employee has made to the company, although it may seem counterproductive, it is important to let the employee know that their contributions to the company are valued and that they did once serve as an important part of a team.

CONCENTRATE ON SPECIFIC BEHAVIOR

When addressing termination with an employee, it is important to concentrate on the behavior that brought them to their termination. Do not make small talk about various instances or mistakes the employee may have made if it does not pertain to this behavior. The employee may try to steer the conversation away from their faulty behavior, so it is the manager's job to keep the conversation on track. Tell the employee that you have noticed *XYZ behavior* and have record of when it was first

noticed and when you had the first discussion about it. Include any past warnings or demerits that were recorded due to this behavior or actions. Ensure there is final documentation of the behavior occurring again, the actions that show the employee has failed to improve this behavior, and why. Before the meeting is over, the employee should be fully aware of what behaviors or actions they have committed that led them to their termination – instead of claiming they had no idea or was unaware of any certain problem.

FIRE EARLY IN THE WEEK

Many managers do not consider what day of the week or time of day they would terminate an employee. Some managers assume it does not matter when an employee is let go – but they would be wrong. Typically, an employee should be terminated as quickly as possible after the decision has been made, so as to not allow the situation or employee linger in the company any longer than they have to. Fire the employee early in the week, such as on Monday or Tuesday. Firing an employee on a Friday only causes more frustration with the employee, since they are often angry to have worked all week only to be let go on Friday. In worse cases, the employee may be terminated on Friday and then have the entire weekend to ‘stew’ on the problem and return back on Monday for a bigger fight, obtain some kind of revenge or to simply wreak some sort of havoc.

PRACTICAL ILLUSTRATION

Paul called Kimberly into his office in order to terminate her from the company. When she first came into the office, he told her right away that after reviewing her records and performance logs, she was not meeting the performance requirements set by the company, so he was letting her go. Paul specified that her call volumes and outbound surveys were not improving as they had planned during her PIP meeting. He explained that these two specific aspects of her job have been greatly affecting her performance scores. Paul thanked Kimberly for her service at the company and for being a loyal employee, but told her it was time to terminate her position here.

*All things are difficult
before they become easier.*

THOMAS FULLER



THE CORRECT WAY TO FIRE AN EMPLOYEE II

Having to fire an employee is a task every manager wishes they could avoid. Sometimes no matter how often or how much you've spoken with the employee about their performance, they still do not believe they are able to be fired. But when the time comes, the manager must be prepared to deliver the news and 'wrap up' any final business with the employee with dignity and tact.

KEEP IT SHORT

Terminated employees should never linger, even in their own termination meeting. When delivering the news, keep the information short and sweet. Avoid small talk or arguments. Tell the employee they are being let go for "XYZ problem", but do not drag out the issue with details or fine points. By simply stating the facts and avoiding adding any emotions or feelings in the decision, it reduces the likeliness of the employee trying to object or become defensive. Then move on to the next topics to cover, such as severance pay, additional benefits or wrapping up loose ends.

HAVE EMPLOYEE SIGN RELEASE

Depending on your employee's circumstance, many companies require some form of signed release in which the employee acknowledges they were not terminated for any reason regarding race, religion, gender, age, or other form of bias. These releases are not created by the company, but are a legal document that can be drawn from a legal consultant. The release should be brought to the exit interview or termination meeting, whichever event occurs just before the employee leaves permanently.

In some cases, the manager may be able to offer the employee some sort of incentive to quickly sign a release without delay. Some incentives include additional severance pay, a promise for positive reviews for future employers or even free consultation with the company lawyer. Always consult with human resources to determine what is within the manager's realm to offer the employee, instead of running the risk of overpromising a reward without results.

TRANSFER TERMINATED EMPLOYEE'S FUNCTIONS

One of the worst problems to occur after an employee has been terminated is to have a gap in productivity and workforce. After the terminated employee has been removed from the team, the manager should gather employees together and give a short summary of changes that will occur and how they will go into effect. Inform the employees that the terminated employee is no longer with the company, but do not give any details or specifics. Instead, move forward with reassigning job duties and transferring the former employee's responsibilities. Taking care

of this task right way helps reduce the creation of a ‘rumor mill’ and will help eliminate any shock or disbelief if the former employee attempts to contact any current employees with negative emails or phone calls.

AVOID FIGHTING UNEMPLOYMENT CLAIMS WITH EMPLOYEE

When an employee is fired, one of the first actions they take is to file an unemployment claim to recover lost wages and payments. While this can be a time-consuming hassle for many companies, it is something that should not be handled lightly by the company. When the former employee files a claim, some form of a hearing will need to take place and the manager of the employee will be consulted for questioning. All of the material gained is recorded by court records, so the manager must be careful that anything they say is not construed as a form of discrimination or proof of wrongful termination. In most cases, the employee is rewarded benefits regardless of what comes from the hearing, so it is better if the manager and company do not fight the unemployment claim with the employee, but simply do what is required for the courts and let the decision and effects afterward come from them – not you.

PRACTICAL ILLUSTRATION

Camilla just finished her termination meeting with one of her employees, Jeff. During the meeting, Camilla quickly told Jeff that his performance on his recent project was far below standard, and he could not stay on with the company. Before she dismissed him, she required him to sign a release of liability for the company, and in exchange she offered him

an extra week of severance pay. However, Jeff wanted to retrieve his personal property from his desk, so Camilla asked him to wait in her office while she got him an escort. She quickly called IT to confirm that his system access had been deleted before allowing him back to his desk. Once Camilla knew that Jeff had been deleted from the system, she offered him a security guard to personally escort him to retrieve his belongings.

*Change does not roll in on
the wheels of inevitability,
but comes through
continuous struggle.*

MARTIN LUTHER KING, JR.



RESIGNATION

WHAT AN EMPLOYMENT TERMINATION CHECKLIST SHOULD CONTAIN

One of the most helpful tools when preparing to fire an employee is the use of a termination checklist, which is usually covered during a termination meeting. This list helps the employee to thoroughly cover any loose ends before the employee is let go, such as returning keys or badges, alerting human resources of the change, and deleting the employee's access to the system. Without the checklist, the manager may forget one of these items, which would be bad for the company, as well as the terminated employee.

NOTIFICATION TO HUMAN RESOURCES

As soon as it has been determined that an employee will be terminated, the manager should notify human resources. Notifying human resources allows the manager to consult with any legal counsel if needed, gather information regarding remaining employee benefits (such as final paychecks, vacation time, etc.) and schedule a time in which a

representative can be present during the termination meeting. Also, this will get the ball rolling on 'cleanup' after the employee is gone, such as deleting them from the company system, stopping any form of payroll, and notifying any outside benefit companies (insurance, retirement, etc.) that the employee is no longer part of the company.

SYSTEMS ACCESS TERMINATIONS

As soon as it is determined that an employee will be terminated, the manager should also notify the company's network administrator or director of information technology to remove the employee from the entire system. The employee's access to the company systems, such as the company network, computer files, telephones, and even any form of building entry, such as a key code or badge. The IT department can enable the employee's accounts to be re-routed to another system, such as the manager's accounts, so that any current information regarding projects or clients is not lost. The manager will need to discuss with the IT department exactly which areas the employee worked in so that they are able to delete the employee from all systems and not leave any of their information active in the system.

RETURN OF COMPANY PROPERTY

Employees that are being terminated are required to return any company property that had been given to them for company use, such as building keys, badges, computers or tablets, mobile phones or even any printed company materials. These materials are considered company property

and should not be allowed to leave with the employee. In some cases, human resources or IT may need to be consulted at the time the property is returned to ensure it is still in working condition and has not suffered any form of damage.

Although system passwords are part of the IT department, the employee will need to notify the manager of their system passwords before they leave. While the employee's accounts will be deleted from the network, the manager will need to access the employee's accounts to access computer files or telephone messages temporarily until IT can re-route the employee files.

BENEFITS STATUS

For many terminated employees, they are entitled to payments for their unused benefits or some form of extenuation of them. For example, many companies pay up to a certain amount of vacation or sick time that has not been used or health insurance coverage can be extended through programs. During some point of the employee's termination meeting, they should be presented with a benefits letter, which is designed to outline the status of the employee's benefits as of their termination. This letter should include information on all of the employee's benefit types, such as health/life insurance, retirement accounts and any form of expense or savings accounts. The benefits letter should also include information on who to contact regarding any questions on the employee's benefits, including human resources or insurance companies.

Common benefits include:

- Vacation/sick pay
- Health insurance
- Retirement
- Unpaid debt owed to the employee (such as reimbursements)

PRACTICAL ILLUSTRATION

Jacob was consulting with the team supervisor, Rose, while preparing for their termination meeting for their employee, Scott. Jacob and Rose began to prepare a checklist of items for the meeting to make sure they have all of their bases covered. First, Jacob said he had already notified human resources, so they know about the meeting. Next, Rose said she had called the IT department to have all of Scott's system access terminated as well as any badges or building keys deactivated. She did make a note that these items would need to be retrieved during their meeting. Lastly, Jacob was able to compile a benefits letter for Scott to take with him, that had all of the information he needed about continuing his health insurance and how to review his life insurance policy.

"I guess the only thing left to do is call him into the office for a talk," Rose said.

*It isn't making mistakes
that's critical. It's
correcting them and
getting on with the
principal task.*

DONALD RUMSFELD



THE “DON'TS” OF FIRING AN EMPLOYEE I

When preparing to fire an employee, some of us flash back into the movies where the boss walks in, tells the employee they're fired and it's over. But, that is not how it works in the real world. There are many incorrect ways to fire an employee. These methods can cause anxiety or embarrassment to the employee and the manager, but can also leave the company open for a lawsuit regarding harassment from management or even wrongful termination.

NO PERFORMANCE IMPROVEMENT PLAN

One of the most common complaints from terminated employees is that they were not given any warning of any wrong-doing or wrongful behavior. From this, the employee also states that they were not given the chance to fix their behavior or improve performance.

A manager should never fire an employee without allowing some attempt for the employee to recognize their behavior or mistake and given the chance to correct it. One of the most common ways to do this is to provide the employee with a performance improvement plan, or PIP. Through a PIP, the employee can gain access to additional training as well as additional tools and supplies to improve their performance over a

period of time. The PIP allows all changes, behaviors and actions to be recorded, so the PIP can be used at any point in which the employee's behavior comes into question. In a termination meeting, it can be used as a main tool to show an employee's lack of improvement or behavior correction.

USING AN ELECTRONIC METHOD

When a manager terminates an employee, it should always be done in a face-to-face meeting. This allows the employee to ask questions and allows the manager to give all the information they have to offer, as well as signing any releases or final paperwork. An employee should never be fired via an electronic method, such as by telephone, email, text messages or even voicemail. These methods leave too much room for error and can cause confusion with the employee. In many cases, the message may not be properly delivered or observed, and an employee can become embarrassed when they show up for work after missing a voicemail message saying she had been fired.

In the least, all employees deserve the respect and dignity to be told about their termination in person. Using an electronic method only show cowardice from the company and belittles the employee as a part of the company and as a person.

FIRE WITHOUT A WITNESS

Unfortunately, many terminated employees will become angry enough to sue their former employer once they are let go, based on a number

of reasons. During any termination meeting, it is important that the manager have another employee present to serve as a witness and can provide alternate documentation or testimony if needed later. In most cases, this witness is someone from the human resources department, since they can not only serve as a witness for the manager, but can offer the employee additional information regarding benefits and employee references. Generally, human resource staff often has more experience firing and hiring employees, so they can offer some assistance to the manager when needed.

If a member of human resources is not available, a security officer or even department supervisor can also serve as a valuable witness. The goal is to have another person in the room besides the manager and employee that is being terminated.

PROVIDE LONG REASON FOR FIRING

Before deciding to terminate an employee, the manager should have already conducted research in the employee's file, such as previous disciplinary meetings, performance improvement plans and any past achievements in the company. One thing every manager should be prepared for is when the employee asks why they are being fired. When asked this question, avoid providing long, drawn out reasoning or rationale. At any point, the employee will argue the point or become defensive, which they believe may reverse your decision, or at least delay it. Instead, offer a short and summarized answer, without placing any form of blame or accusation. Stick to something as simple as *"We're letting you go because *insert*

event here and that is not acceptable” or “It goes against our company policy regarding *instance here*”.* Simply state the facts you have, and avoid indulging in emotional responses, such as *“I’m sorry to do this”* or *“I wish things could be different”*.

PRACTICAL ILLUSTRATION

Maria and Jack were discussing the prospect of having to fire one of their employees, Susan. Jack said he wanted to be sure that all of their bases were covered before they actually file to terminate her. First, he asked Maria if Susan had ever been put on a PIP. Maria looked in Susan’s past records and found that she had been put on a PIP, but minimal improvement was documented. Jack then determined that they would need a witness present when speaking with Susan, so he made a note to contact HR and have a representative come down.

“Of course the meeting will be held in person, but we should have the meeting in the conference center”, Maria said. She knew the conference center was not being used and would be a fair location.

Finally, Jack said they should finalize any reasoning or decisions as to why they are letting Susan go.

“She’s being let go due to a lack of performance,” Jack said. *“It’s as simple as that, so we mustn’t go into any forms of drawn out reasoning or banter with her.”*

*Making distinctions is
part of learning.*

NANCY GIBBS



THE “DON'TS” OF FIRING AN EMPLOYEE II

Once an employee has been told they are fired, many managers believe that is the end of the process. However, there are still many factors to cover while the employee is still on the premises. After an employee has been let go, it is important that they are escorted off of the property as soon as possible to avoid a scene in the office or to avoid the risk of the employee damaging any company files.

NOT MAKING THE DECISION FINAL

Generally, employees never believe that they can be fired, or that they should ever be fired. So when the occasion arises, they are of course in shock. It is important for the manager to let them know that the decision to terminate them is final and cannot be changed. Some employees may believe they can bargain their way back into their job or can offer to change/improve/do extra to stay with the company. Inform the employee that the decision is final and cannot be changed. Remember that the termination meeting is meant to inform the employee of a decision that has already been made and is not a discussion forum. Remember to have a witness on hand to help support your decision.

LET EMPLOYEE TAKE COMPANY PROPERTY

It's a common problem with companies that have terminated employees. It is often joked that terminated employees will sneak out a stapler or company pens when they leave and is often overlooked by the company and counted as a loss. However, company items such as computers or tablets, mobile phones, name badges, door badges and any form of access key should be returned to management at once. The employee should turn over the items they have on hand during their termination meeting. If needed, the manager can escort the employee to their desk or work area to obtain any remaining property. In the rare instance that company property is outside the office, such as in the employee's car or at their home, it is important to set up some form of arrangement to have these items returned immediately. Some employers will hold the employee's last paycheck or severance pay until the items are returned safely.

ALLOW ACCESS TO WORK AREA

The termination meeting is held in a location away from the employee workplace and is held privately. However, they will want to return to their desk to retrieve their personal items before leaving. Of course, these employees can become visibly upset and can cause a scene in the office. To help reduce upsetting other employees, the manager can offer to have the terminated employee's belongings sent to their home or can have the items packaged and arrange for the employee to pick up at a later time or date. This method also allows for the manager and IT department to

ensure that they can save any files or projects before the employee has a chance to delete or destroy them.

If the employee insists on picking up their property themselves, only allow them access during off-peak work hours, such as during a lunch period, after hours or even weekend days. This allows the employee to keep their dignity and avoid embarrassments with co-workers as well as ensure the manager that the terminated employee will not act out an attempt to create chaos in the office. Always remember to personally escort the employee to and from their desk, regardless of the time of day.

PERMIT INFORMATION SYSTEM ACCESS

The manager has already established that an employee will not be allowed access to their work area unless they are accompanied by the manager or other official, and it is only long enough to retrieve their personal belongings. In addition, terminated employees must never be allowed to access their information system, such as their work computer, voicemails or even email systems. The employee should not be given the chance to access the system and delete files, change passwords or even lock up projects and resources. It is recommended that the manager contact a member of IT just before an employee's termination meeting to ensure the employee's access has been limited and then deleted. Once the employee has been terminated, they should not be able to access any of their former systems, either in the office or from home.

PRACTICAL ILLUSTRATION

Peter has called Mary into his office. When she arrived, right away Peter told her that she was being fired from the company. Peter reviewed some of her past records, but told her that recently she was not receiving good scores for her job duties.

“Isn’t there something I can do to let me stay?” Mary asked.

Peter told her that the decision was final and that the company would not change their minds. He informed Mary that her system access had already been deleted, so he told her not to bother trying to check her email or retrieve any phone messages. The only thing Mary requested was to retrieve her personal items from her desk before she left the premises. Peter called the company security officer and requested for an office escort. Peter knew the security officer would keep Mary from overreacting in front of other employees, but would also ensure that she did not take anything from the desk that was considered company property.

*Every exit is an entry
somewhere else.*

TOM STOPPARD



CONDUCT EFFECTIVE EXIT INTERVIEWS

An exit interview is typically completed when an employee leaves voluntarily or is part of a company lay off. However, the interview can be done with employees that have been terminated if completed correctly. It is important to remember that the employee will mostly likely be angry or hurt, so the manager must tread lightly and ensure they have another manager or human resource representative present at the time of the interview.

WHEN, HOW AND WHO

The exit interview is seldom conducted by the manager that is terminating the employee; but in the majority of cases is completed by a member of human resources. This allows the meeting to remain fair and unbiased for the employee.

For terminated employees, this interview should be conducted right away. Some managers will perform this exit interview shortly after informing the employee of their termination. Others may allow the employee to gather their belongings from their desk before bringing them back to their office to finish the process.

Every company is different as to how they conduct their exit interview. Smaller companies may be willing to conduct one-on-one personal exit interviews with the employee and gain the information they want first hand. One-on-one exit interviews are typically used for shorter exit interviews that do not have a large number of questions to ask. Other companies, such as larger corporations, are more likely to use some form of printed survey or questionnaire for the employee to complete and return to human resources. The printed forms allow the company to ask a number of questions and leave spaces for the employee to write any comments or remarks, if desired.

OBJECTIVE OF THE PROCESS

One of the main purposes of an exit interview is for the manager to gain information about the company and its working conditions. The interview should serve as an opportunity to obtain information about what your organization is doing well – and what isn't working so well. For the most part, exit interviews allow the employee to speak freely without a fear of consequence, so they are more likely to be frank and will not sugar-coat their opinions. While some of these opinions may have hints of distaste or anger, there is truth beneath their emotions.

Before scheduling the exit interview with the employee, the manager should work with the human resources representative regarding what questions should be asked of the employee. Keep in mind the employee may only be open to answer a limited number of questions, so focus on what aspects of the job or position you are wanting answers about the

most. Also include alternate questions to the employee if they do not offer much information on one topic, or if they simply decline to answer.

COMPANY READINESS FOR EXIT INTERVIEWS

In many companies, employees are unaware that they may be asked to participate in an exit interview if they decide to leave, or if they are terminated. Because of this, the task may catch them by surprise when it is suddenly presented to them. One method of preparing the company culture for a process such as this is to introduce it in the company policies, such as policies regarding hiring, firing and resignations. This introduces the topic to current employees and gives them a chance to ask questions or seek clarification early on. It is important for managers to inform employees of the purpose of the exit interview, should they ever need one, and explain to the employee that what he shares, is viewed as helpful information. Managers should work with human resources to establish a guideline or template for exit interviews for the company to use and share with employees. Employees should be aware that the information they share in an exit interview is helpful, but does not guarantee what they say or suggest will be implemented or create some radical form of change.

EXECUTE THE FEEDBACK RESULTS

After an exit interview is completed, the manager and human resources representative should come away with a sufficient amount of feedback from the departing employee in many different areas. From here, the manager should sort and organize the different advice and feedback given

by the employee and determine what areas can be improved. Sometimes the employee offers feedback on ineffective ways of communication in the office or advice about ways to improve productivity during the day. The manager must choose the best way to execute these new suggestions, and should begin by consulting with current employees and teams as to what improvements are needed. Sometimes, the answer is right under their nose – but the employee is too afraid to speak up.

Managers should be wary when accepting feedback and advice from departing employees. While some can offer insight about the position, others may only offer their thoughts to serve as insults or general negativity about co-workers, managers or even the company itself. Managers should never encourage this type of talk from the employee and should not indulge them into sharing such negativity.

PRACTICAL ILLUSTRATION

Angela has just finished speaking with Jose and has let him know that he is terminated from the company due to his recent poor performance in his department. Jose was visibly upset, but Angela asked if he would be willing to take a few minutes and answer some of her questions (and complete the exit interview outlined in the company policy), Jose agreed.

Angela noticed that his department had many employees who were not performing well, so she asked Jose why he thought that was. Jose told her that communication with management was very difficult in the department, and many of the employees had daily questions that they could not get answered. He also told Angela that, in his opinion, the

training was not very effective for new employees and should be extended in some way.

After speaking with Jose for a while longer, Angela was able to gather a lot of helpful information that she could take back to the teams and review with team leaders. Angela thanked Jose for his time and his feedback and wished him good luck before he left the building.

*Whenever you find
yourself on the side of
the majority, it is time to
pause and reflect.*

MARK TWAIN

CLOSING THOUGHTS

- **Gordon Bethune:** You don't lie to your own doctor. You don't lie to your own attorney. And you don't lie to your employees.
- **Bob Nelson:** Take time to appreciate employees and they will reciprocate in a thousand ways.
- **Carlos Ghosn:** Employees are your most valuable assets. They are the heart and guts of a company. This doesn't mean that from time to time, you aren't going to do what is good for the company.



Rick Chisholm made history when he single-handedly changed the professional Audio Visual industry by breaking all the rules and capitalised over 50% market share in Australia with very little capital, no partners, mergers or lenders and set up the first franchise operation of its kind in the world in the late 1990's and early 2000's.

As a 7x founder of companies and 30x businesses such as Innovest, AI Machine, Lightsounds, LSW, Light Emotion with revenue in excess of \$300 million and having employed more than 1,000 staff over the last 35 years. Rick is known as the Start-Up and SME Guru and is Author of a number of books including Business Success for Life. Unlike many mentors, he actually walks the talk and has a number of businesses under management in such areas as Automation, Events management, Importing, Distribution, Retailing and E-commerce.

His BIG passion is Business Education empowering Businesses Owners through knowledge and skills. Whilst Rick has experienced great success, he has also endured many failures. Rick has faced and overcome the exact same challenges you are facing now.



Tala Chisholm is an SME specialist who has owned and managed several small to medium sized businesses in the last 20 years, several of which were eventually sold. She has extensive experience in the fields of retail, franchising, licensing, dealerships, education, importing, distribution and consulting.

Her expertise lies in building and implementing customised cross-platform database and software solutions for businesses, automation, IT, web marketing, advertising, graphic design, business administration, process refinement and implementation. Her business experience ranges from bricks-and-mortar Giftware retailing to highly technical fields such as Security, CCTV, Entertainment Lighting and Audio sales, hire and installations as well as e-commerce.

Throughout her career she also trained and mentored Franchise business owners as well as internal division managers. Some areas of training included retail operations, management practices, business strategy, accounting, cash-flow, marketing, customer service and IT. She has also headed up the drafting of Operating Compliance Manuals for Franchise operations and implementation of all the elements involved.

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