



## ***How to Proactively Manage Employee Terminations***

Employee terminations and layoffs are stressful, sometimes complicated, and certainly an action that no employer looks forward to taking. The repercussions and disruptions from an employee being fired, laid off, or opting to leave of their own free will can be far reaching. It not only impacts the employee leaving, but also their co-workers and you, the employer.

You can decrease the impact employee terminations have on your business and remaining employees, as well as the potential resulting legal issues, by taking the time to carefully manage the situation. Having an employee termination strategy is a good starting point. As you develop your strategy, you should remember that most terminations will fall under one of these three categories:

- Employment that's terminated by the employer due to the employee's behavior or performance issues.
- Employment that's terminated by the employer solely due to economic reasons.
- Employment that's voluntarily ended by the employee.

You will find that there are some one-size-fits all guidelines on how to respond to terminations in general. However, each termination category may also call for a response that's more tailored to the circumstances of the termination. Here are some general tips for all of the above:

### ***Any Type Of Termination***

- Set up a process to follow. Following the same set procedure, including a checklist for each

termination step, will help ensure that you treat all your employees equally.

- Consult an attorney to ensure you understand how the employer-employee relationship is legally regulated and all the applicable guidelines.



- Communicate effectively with your employees so that they understand exactly what's expected of them and all possible disciplinary actions. This will help you avoid misunderstandings.

### ***Employer Terminates Due To An Employee's Behavior/Performance***

- It's vital that all employees understand what you expect and require of them. It's equally vital to thoroughly document warnings and counseling for failures. This will not only help

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you protect your business should you ultimately need to terminate an employee, but it will also give you the opportunity to allow some deserving poor performers a second chance to do better.

- In certain circumstances, an immediate termination will be the most prudent course of action to protect yourself and your other employees. For example, the immediate termination of an employee that steals or poses a danger could be warranted. However, it's still critical that you understand your legal responsibilities.

### ***Employer Terminates Based Solely On Economic Reasons***



- Layoffs can be very difficult for you, the employees being laid off, the employees staying, and your management team. You can help con-

trol anxiety and tension by keeping the lines of communication open and ensuring that all employees are kept in the loop about what's taking place.

- The layoff process can be somewhat less traumatic if you remember to let your employees know they're still valued, appreciated, and respected. It can also help if you're able to help them secure alternative employment and/or provide a severance package.

### ***Employee Voluntarily Ends Their Employment***

- You'll want to clearly understand why an employee is ending their employment. An exit interview policy is a great tool to understand why an employee is leaving, how well your company is competing in areas like wages and benefits, and if you have any operational or management problems to be rectified.
- You may want to make a counter-offer if a valuable employee is leaving and you'd like to retain them; after all, turnover can be very expensive for employers. Discuss the reasons your employee has decided to leave. If the departure is based on wages, then you may find that it would be cheaper to agree to a raise than it would be to recruit and train a new employee.

In closing, most all employers will be faced with employee terminations at some point. If you plan ahead and have the proper procedures in place, you can both minimize the effects and protect your business against any legal ramifications.



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