

Terminating Employees

Sooner or later, every small business manager must face the task of terminating an employee. This is a task that can be unpleasant at a minimum and dangerously expensive if not handled carefully. You must remember that there are laws that provide employees with rights that you must not violate. This article is not intended to be legal advice and should not replace getting the legal advice you may need.

While terminating an employee can be tough, it is often the best thing to be done for the success of the business and perhaps even the ultimately happiness of the employee.

Here are some general guidelines that may help you deal with this task.

You cannot terminate an employee for the following reasons:

1. If the employee is performing a public obligation such as voting, serving on jury duty or serving in a military reserve unit.
2. Refusing to commit an illegal act such as participating in a price-fixing scheme, committing perjury or refusing to report an employer's wrongdoing.
3. Discrimination.
4. Filing a complaint against the company.

You can terminate an employee for the following reasons:

1. Poor performance.
2. Consistent absences or showing up late for work.
3. Performing illegal acts.
4. Falsified information on a job application.
5. Violation of company policies.

Managers usually know when an employee isn't working out. Keep records to support your termination of the employee. This includes performance reviews, warnings, evidence of poor performance and records of conversations covering these issues. Document your case for terminations.

Once you have made the decision to terminate the employee and have your documentation, it is usually best to get it done as soon as possible. Hopefully, the employee will not be surprised. Set up an exit interview and make sure to cover these items:

1. Discuss any severance payments the employee may receive.
2. Finalize the timing.
3. Discuss any continuation of benefits that may be provided.
4. Retrieve any keys, building passes, credit cards, company property or records the employee may have.

5. If you want, have the employee sign a release.
6. Discuss any reference you may be asked to provide.

Terminating an employee is also an opportunity to make your business better. It is a chance to find a replacement with better skills or qualifications. If you are terminating the employee due to cost containment, this is an opportunity to save money. It is also an opportunity for damage to your company. Be careful in the termination process. Emotions can be high and there is little reason to inflame the emotions by acting unprofessional. The terminated employee may become bitter and say bad things to your customers. Try to get the process completed with a minimum of anger, emotion or bad will.