

## Successful Closure

### Ten Pitfalls to Avoid in Employee Termination

By **Patty Prosser**

**T**ermination events can be stressful, even unpleasant, but with the right pre-planning, they can be turned into opportunities to demonstrate genuine concern for the impacted employee(s) and their families.

Done correctly, termination/transition events will enhance a company's public image and promote the organization as a concerned business within the community. Making such an event respectful and dignified will also demonstrate that the organization cares about its employee(s). In addition, it can mitigate legal issues and avoid excessive severance payments.

Reputable outplacement firms will add another dimension to the process by assisting the employee(s) in coping with the sense of loss and anxiety by rebuilding confidence, identifying key strengths, targeting areas of knowledge and experience, and providing an overall sense of self-worth while helping develop a dynamic resume and strategic marketing plan.

Following is a list of pitfalls to avoid when planning termination/transition events.

- **Procrastinating:** Handling outplacement strategies at the last minute (or not providing any outplacement) can lead to a backlash in terms of company image. Angry employees, potential lawsuits and unrest within the organization can create negative publicity. Careful planning can eliminate these potential problems and provide departing employees with a support system to become re-employed as soon as possible.
- **Price surfing:** Cost does come into play when searching for an outplacement firm, but it should not be the top reason for hiring. Having an idea in mind of what kinds of services you want to provide the impacted employee(s) is critical. In fact, cost can often be negotiated with most outplacement firms.
- **Selecting a nationally known firm without researching its strength in a particular geographic area:** Having a recognizable national name is fine, but many national firms do not know the

economic climate of a particular local area. The best firm is the one that demonstrates strong knowledge of the local business community and provides quality services that are results-focused, not time-driven.

- **Practicing discrimination:** Offering assistance to only certain employees is not advisable; it can create a climate for potential lawsuits. It is a wise choice to make outplacement available to all impacted employees. Not all will take advantage of the opportunities presented by outplacement services.



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- **Shopping around after the fact:** Make it less stressful for the impacted employee(s) by doing the shopping before offering outplacement services. Human resource leaders have a better idea of the services that are critical to a successful job search. Often, the employee may not even know the types of questions to ask and are usually distracted and/or upset by the news of the job loss. HR can properly determine which outplacement firm is providing the best service for the dollar invested and excels in the individual marketplace in which the employee will be seeking employment.
- **Believing outplacement is only for BIG companies:** Small and mid-sized businesses may have even greater reason to utilize outplacement. It creates a positive image, lessens the chances of lawsuits and makes the transition to a new career less painful for employees who probably felt that the company was like "family."
- **Improperly handling termination:** Unless there is reasonable cause to believe that an employee may react violently, it is better to allow that employee to pack his or her belongings

without an escort or on a weekend. This is a proactive approach that preserves the impacted employee's dignity.

- **Not doing homework:** Selecting the appropriate severance package is crucial. Confer with a team of managers if uncertain, or consult with an outplacement firm as to options available that best meet the needs of the soon-to-be-ex-employee.
- **Asking the impacted employee(s) to contact the consultant:** The ideal way to handle any downsizing is to arrange for the outplacement firm to be on the premises when the employee(s) are notified. This way, trained consultants can be on hand to answer any questions regarding workshops and encourage employee attendance. Having a neutral third party on site can also serve as additional support to those who must deliver the termination message.
- **Providing no assistance:** When a company downsizes even one employee, it risks more than having to dole out unemployment compensation. It risks the dissemination of valuable company information to the competition. Rather than sending an angry employee to the unemployment office, it is a smart strategy to allow an outplacement firm the opportunity to assist employees in working through their feelings and distancing themselves from the event itself, while concentrating on developing a marketable resume and search strategies. An outplacement firm can influence the pace and direction of the job search campaign and serve as a sounding board for employees' frustrations. Both time and active listening by trained outplacement consultants will help alleviate anger or frustration and ultimately minimize any potential repercussions.

#### INFORMATION LINK

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