

7.6: Employee Separation and Termination

Learning Outcomes

- Describe the options for employee separation/termination.

There are really only two reasons for employees to leave a job: they are asked to leave or they leave voluntarily. There are very different ways to handle voluntary and involuntary termination; in some cases, the manager is very involved with the process, but in other cases separation or termination is managed by human resources.

Business Insider put together a list of some of the most common things managers do that make good employees quit:^[1]

1. They overwork people.
2. They don't recognize contributions and reward good work.
3. They don't care about their employees.
4. They don't honor their commitments.
5. They hire and promote the wrong people.
6. They don't let people pursue their passions.
7. They fail to develop people's skills.
8. They fail to engage their creativity.
9. They fail to challenge people intellectually.

Voluntary Separation

Why would an employee leave his job? The most obvious reason is that the employee is ready to retire. But the fact is that there are as many reasons for quitting as there are employees. Sometimes, poor management can be the reason your employees are walking out the door. In many cases, managers can make changes to improve the situation and help employees make the decision to stay; in other cases, though, it just makes sense to say goodbye. Some reasons for voluntary separation include:

- **Better opportunities:** Many people leave jobs because there is better job available elsewhere. When that happens, employees may offer their managers the opportunity to top the better job offer. If your employee is really extraordinary, you may want to discuss options with upper management and HR. Can you improve on the employee's compensation and benefits package? How can you make it worth their while to stay?
- **A family move:** Bill just got married, and he and his new wife are moving to California to be closer to her family. In this case, it may be tough to make Bill a better offer. In some cases, however, it might be possible to transfer Bill to another division of the company that's closer to his new home.
- **Illness or disability:** In some instances, illness or disability can force an employee to resign. Sometimes it is possible to accommodate an employee with a physical challenge by making minor changes to the workplace or schedule. In other cases, however, the problem is significant enough or affects productivity to such a degree that the employer can't accommodate the worker. For example, a graphic artist who is unable to walk can still do her job with accommodations for a wheelchair, but a waiter who can't walk is unlikely to be able to continue in his job. When the illness or disability relates to someone else in the family (an elderly parent, for example), the employer may be able to help with a more flexible schedule or options for working from home. Often, though, the employee's job requires them to be on the spot for specific working hours.
- **Job dissatisfaction:** It's not unusual for employees to leave a job because they're unhappy in their work and believe they can be happier elsewhere. There are many reasons why this can be the case; sometimes the manager is the problem, and often the manager can help, but just as often they can't. For example, an employee might leave because he sees no opportunity for advancement. In some cases, managers can find, create, or point out ways in which the employee really can advance in the company. In other cases, an employee might decide that the job is not as interesting or fulfilling as he had anticipated; again, managers can sometimes (but not always) help make changes to suit the employee's needs.
- **Changing circumstances:** Very often, jobs that were perfect for a period of time are no longer appropriate. For example, a traveling sales position may have been exciting and fun for a single woman who is now married and wants to settle down. A strenuous job may have been ideal for a younger man who is now getting older and wants something a little less exhausting. A low-paying position may have been acceptable for a person just getting started but may pay too little when the employee wants to own a home. Again, managers may be able to help employees figure out options within the company—but it may also be the case that the employee really needs to make a more radical change.

When an employee leaves voluntarily—and the employee and manager agree that it's time for a change—most of the process of separation is handled by HR. Typically, the employee gives at least two weeks' notice, fills out paperwork acknowledging the separation, and turns over keys, IDs, and equipment. In some cases, clearance may be revoked. Most companies ask employees to sit down for an exit interview, which is a chance for the employee to provide feedback about their employment.

Many companies have a tradition of honoring people who are leaving voluntarily. Retirees who have been with the company for a long time may be honored with a special dinner, an award, or a party. Going-away parties are also popular. From a management point of view, it's important for the employees who are not leaving to see that their colleague's work and time were of value to the company.

Involuntary Termination

The word “termination” sounds unpleasantly like “extermination,” but of course it simply means that an employee has been asked to leave the job. There are two general reasons for termination: layoffs and firing. When employees are laid off, they are being asked to leave because their position will no longer exist but they have done nothing personally to deserve termination. When an employee is fired, it is for “cause,” meaning that something they did (or didn't do) led to being fired.

- **Layoffs:** Layoffs are the unfortunate outcome of changes in industries or problems with individual corporations. In rare cases, people are laid off simply because their project has ended. More often, though, they are laid off because their employer has been forced to close stores, stop producing certain products, or simply save money. Managers can sometimes step in and help individual employees to stay with the company by building new skills or shifting into different departments or divisions. Often, though, there are no feasible ways to avoid layoffs.
- **Firing:** There are quite a few reasons why people are fired from their jobs, but in general people are fired because they (1) broke company rules or laws; (2) were unable or unwilling to do their jobs; (3) created problems for the company because of their behavior. Occasionally, people are fired for “political” reasons. For example, a top manager might be let go to make room for the boss's son-in-law. In such cases, however, the employee might well be able to sue the employer, so such firings are rare.

It is almost always the manager who decides that a person should be fired. Before making that decision, though, the manager will need to go through a number of steps to document problems with the employee. The steps vary depending upon the corporation, the situation, and whether or not the employee is a member of a labor union. At the very least, the manager should:

- Address problems directly with the employee, providing feedback and support as needed so that the employee can respond and make changes.
- If the problem persists, the manager should work with human resources to determine whether there are other options for making change. For example, if an employee is unable to do his work because he simply can't master the systems required, there may be a different job he can do.
- If the problem still persists, HR will need to get involved. Most companies have systems for putting problem employees on probation or giving formal warnings.
- If the employee's issues do not improve, and the manager has taken every appropriate step to change the situation, it may be time to hand the employee the proverbial “pink slip.”

Of course, if the employee has actually broken the law or behaved unethically, firing is usually immediate and automatic. Embezzlers and thieves rarely get a second chance in any corporation.

? Practice Question

<https://assessments.lumenlearning.com/assessments/12227>

1. Bradberry, Travis. “9 Things Bosses Do That Make Great Employees Quit.” Business Insider. Business Insider, July 30, 2015. <https://www.businessinsider.com/why-people-quit-their-jobs-2015-7>. ↵

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