



FOURTH QUARTER 2005

HR Compliance 101, LLC

Putting Companies in the Safety Zone Since 1978

Bad Hires/Good Fires:

How to Terminate an Employee

The company hired a switchboard operator who was terminated for poor attendance, not filing properly and spending personal time on the Internet. These are all good and valid reasons to terminate an employee. However, this employee was able to collect unemployment compensation because the company failed to document the performance problems.

You'd like a day's work for a day's pay. You hire employees in good faith that they can and will do the job. When problems come up, you talk to the employee. If problems continue, you may terminate the employee. But if you don't document the steps that led to termination, the employee may collect unemployment or even sue you for unfair treatment. Your unemployment rate may increase; and a lawsuit can cost you tens of thousands of dollars.

At HR Compliance 101, we recommend the following steps to safeguard your company:

First, set clear policies on safety, disciplinary procedures and other rules. For example, define good attendance, quantity of work, personal appearance, confidentiality, length of breaks, to name a few. Make sure the rules are clear and apply to everyone.

Second, follow a clear path of disciplinary actions *before* you terminate. The Department of Labor wants to see that the employee was educated about performance issues and given a chance to meet your company's standards. So write down each action you take (verbal warning, written suspension, termination), the reasons for discipline and the corrective action you expect from the employee. Document your discussion on a form and have the employee sign it. If the first action doesn't work, move on to the second. Show the employee that you're serious.

Third, arrange to use a private place for terminations, but not your office. You may need to leave so the employee can regain composure. Consider meeting right before lunch or at the end of the day so the employee can leave easily.

Fourth, have a final paycheck ready. Make arrangements for the employee to return any company property (credit cards, keys) and to stop the employee's access to the company's computer system.

Fifth, make the termination meeting business-like: calm and brief. Respect the employee's time with your company. A 20-year employee deserves more than a 2-minute meeting.

Sixth, do NOT give the terminated employee a letter of reference. Any letter should merely state the employee's dates of service, title or job function.

Some employees work harder to get out of work than they would if they just did the job. This can cause serious morale problems for your good employees. As the owner, you have the right and responsibility to create a culture of choice that makes you and your employees happy. If you're having trouble dealing with your "bad kids," call HR Compliance 101.

From Our Customers

"Since Pauline took over recruiting, we've had a better response to our ads and better qualified candidates. It's amazing to me the information she finds out in an interview."
Brad Roach, Owner,
Trans-Tech
Performance, Inc.,
Rindge, NH

This newsletter refers to some of the regulations that may currently apply to small businesses.

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WE'RE ON THE WEB!
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Compliance Alert

Did you know that there is a new Form I-9, revised in 2005?

The Immigration & Naturalization Service has been re-named the Department of Homeland Security. That, along with other factors, caused Form I-9 to be revised.

Form I-9 lists employee information (name, address, date of birth, social security number) and verifies that the employee is a citizen or national of the United States; or a lawful permanent resident; or an alien authorized to work in the United States. It lists the documents that can be used for verification.

If you haven't received the new form and you've hired employees after May 31, 2005, please call HR Compliance 101 at 603-585-3139 or e-mail paula@hrcompliance101.com. We'll send you a copy of the new form.



Workplace and Training Solutions

- Q. I have an employee who's been with my company for a few years. I never checked the past employer references. Is it too late to check references now? He has a very bad attitude and other employees don't want to work with him.*
- A. You can't control how people think, but you can control how they act within your facility. You have a right to insist on a code of conduct that fits with your company's culture. It's not too late to check references. If your references reveal that this employee lied on his application, you can terminate him if the application he signed includes a statement like the following: "I understand that false or misleading information given in my application or interview(s) may result in discharge." If his references check out, start the disciplinary process on the basis of his inability to work cooperatively with his co-workers.

For Our Customers

Are any of your Material Safety Data Sheets (MSDS) more than 5 years old? Call HR Compliance 101 to find out if you need the newest versions.

If an MSDS is out of date, you could be out of compliance.