



## CREATING A HIGH-PERFORMANCE ORGANIZATION AND COMPANY CULTURE

Executive Overview for:

### **The Termination Process**

*“Termination should be the last step in a sequence of activities with many fail safes. While you can reduce the number of terminations significantly using the philosophies and processes we have discussed in preceding segments, you will never eliminate them completely. While you will be judged by your associate population on how professional you handle a termination, it is a fact that poor performance unchecked lowers the performance bar and can destroy your High-Performance Company Culture. If you follow the simple philosophy of treating others as you would want to be treated during a termination process you can achieve the joint goals of maintaining a high-performance work environment and still considered as respectful, ethical, moral and caring in the eyes of your associates.” - YourBoard.US*

1. The Termination Process and the two categories of separation.
2. The steps toward separation.
3. The Act of Termination.



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No matter what you call it, separation, termination or firing, it signals that there was a failure in either the RROI process, the hiring process, or the onboarding process.

It is hard to believe that everyone, without exception, has hiring failures. The difference between the poor or mediocre performing companies and the high performing companies is that they deal with the situation quickly and do not allow the performance bar to be lowered. They preserve their High-Performance Culture with proper actions.

It is imperative that difficult personnel decisions are made promptly, that the proper steps are followed and that the entire process is conducted with respect and support for the individual.

If termination is done improperly, in addition to having legal liability problems, it results in making the associate a martyr, even if they weren't popular to begin with. Subliminally, every person watches how people are dealt with during the separation process and put themselves in that situation. The associates judge the character, ethics and morality of the company and its leaders based on how separation from the company is conducted. It can be the company's best or worse moment in the eyes of your associates. If steps are taken, when a problem is identified, to give the person a chance to turn his situation around through a Performance Improvement Process, everyone feels that they would be given that same opportunity.

Let's start with the call that says "Houston, we have a problem". There are two categories of cause for separation. The first brings with it much less sensitivity. If it has been proven or admitted that an associate steals, cheats, breaks key rules, commits fraud, endangers others through their actions or causes the company great harm or puts them at great risk, there should be little or no tolerance. Firing is by the book, done immediately and with no severance pay. In these types of fraudulent situations, the reason for the separation is leaked out so that everyone understands and, hopefully, agrees that the company leadership did the right thing in the best interest of the company and all of the associates. The litmus test is; if there was a jury made up of all of the company associates and they knew all of the facts, would they vote for termination? As the leader, you have to make the termination decision, but it is important to have that decision be one that will be endorsed by the other associates.

The second category of separation is not for anything fraudulent or negligent but for poor performance.

Assume this is an associate who has been with the company for 3 years and has never set the world on fire. Part of the problem is that the associate's performance level has been accepted for three years. A quick change, in how tough the officiating is and how often fouls are called, is very unsettling to productivity and to the general associate population of the company. You can achieve a short-term improvement driven by fear, but motivation by fear is short term and will likely not continue.



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As has been discussed in the segment on the creation of the High Performance “Recognition Based” Company Culture, there are certain steps that we need to go through in order for a termination to be accepted by the other associates.

These steps to termination can move very quickly. What sometimes happens, however, is that at some point in time after an associate's “performance failures” occurs, we want to fire that person immediately and have never gone through the proper steps for determining if a person can be raised to an “A” performance before we fire them.

### **The Steps toward Separation:**

1. Be certain that the expectations of the associates role have been clearly established, discussed and agreed upon. The RROI Position and Performance Agreement Form is perfect for this.
2. Be certain that there have been legitimate and documented efforts made to respectfully “coach” the person's shortcomings and provide the support and training to correct the problem.
3. If legitimate and repeated coaching and short interval follow-up discussions with the underperforming associate are not working you move to a “Get Well-Recovery Plan” with specific improvement objectives, completion dates and very frequent follow-up reviews. These “frequent” follow-up reviews can be performed on a bi-weekly basis if necessary. Records of all discussions and actions should be kept. Warnings are provided in writing at this point regarding the necessary improvements and timetable for improvements.
4. If Improvement occurs under the “Get Well-Recovery Program,” the associate then goes on a 30-60-90 Day Development Program to assure the positive performance improvements are permanent.
5. If a problem centers around aptitude and skill set or personal attribute short comings, but the individual has a great behavioral attitude and strong work ethic, the first effort after unsuccessful coaching would be to find that person another seat on the bus, a role that would better fit the skill set of a potentially good associate. In small companies where the bus is small and there are not always a lot of different seats on the bus or the resources are not available to re-train for another position. It still may be necessary to separate.
6. If the problem is not skill set or attributes but instead, attitude and work ethic, and the last steps of coaching and a “Get Well-Recovery Plan” with a warning did not change anything, there is no need to try to find the person a different seat on the bus. The separation process should begin.



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## The Act of Termination

Separation under the terms of non-negligent or fraudulent situations but instead performance, is different. When you consider that in some cases (and I would contend, in many) the reason for a person's poor performance is partly the responsibility of leadership and management, the termination becomes a shared responsibility. Remember, we went through the hiring process, and then we lead them through the 30-60-90 Day Development Plan and did not identify a mismatch.

Considering that we are partly to blame, and also considering you don't want to make them a martyr within the organization, you should manage the separation for performance very respectfully. What that means is that first you have a one-on-one conversation explaining the mismatch between the associate and the expectations of the role. It should be clear that it is not about them personally, but instead about the needs or changing needs of the role or the company.

Keep in mind that this person needs a reason to take home, to their spouse and children, that does not put them at fault. We must, as employers, respect that human need. It makes no difference to the company...we have accomplished our goal of upgrading the position. It does, however, mean a lot to an individual who has lost their job and their paycheck, and in many cases their personal esteem. After the blame has been adequately spread, so not to destroy the individual, we must get down to the moment of the separation and the monetary part of the termination.

I never felt, except for certain highly sensitive positions, that the humiliation of having a terminated employee put his personal belongings in a box and then be escorted out for everyone to see, was really necessary. An after-hour separation, in a respectful manner, sends a much more positive signal to all of the associates and achieves the same result.

Severance pay policies are pretty much up to the company. Under a favorable situation there may be 1 week severance for every year of service with a 10-week cap. For a person to receive any severance they must agree to terms of the termination which include a confidentiality clause, possibly a non-compete clause and a "no blame" clause. If the person is unwilling to agree to certain termination and severance clauses, the severance is not offered. State laws regulate the time you must give an employee to decide whether to take the severance offer or not. You may also agree to a good reference, if the position the former employee is interviewing fits their skill set. Severance, a good reference along with positively endorsing a person's unemployment application are things offered to assure as friendly of a separation as possible.

I have actually seen many friendly separations where an associate knows he or she is not matched for the role and where they are allowed to look for a new job from their existing job for thirty days (depending on the person's history with the company and the information or market sensitivity of their position). It is always easier to find a new job coming from a current job than having been unemployed. Obviously, this would have to also work for the company.

The bottom line is that it is very important for the company, its leaders and the people that represent this "High-Performing Company Culture", to demonstrate class, morality and compassion for people who have lost their job and families who may now have no income.



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## **Summary**

Separating from underperforming associates who cannot contribute to an organization that really wants to be considered “the best in the Industry” is absolutely necessary. Doing that task, by the numbers and with respect, demonstrates to the entire organization of stakeholders that we are the class of our industry. It is always best to consult with an HR firm to be certain all of the proper steps, for your state, are being followed so there is no liability to the company for an illegal termination. You may want to connect with the YourBoard.US Portal to Expert Support for Human Resources found through this website to assure you are in compliance with all government regulations.



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