

The YEBDC Small Business Information Column

by Sue Gingerich, Business Advisor

"Letting Go Can Be Hard To Do"

One of the tasks many managers and business owners hate to do is "let go" of an employee. Even when that employee is being let go due to unsatisfactory work, it can be very difficult to face the issue. Often we are afraid of a confrontation. So how can letting go of an employee be made easier?

The first thing to consider is why are we terminating this employee? Is it because their work is unsatisfactory or is it because we can no longer afford them? Different reasons call for different tactics.

Let's deal with having to layoff an employee due to a shortage of work. (Or a shortage of funds to pay the employee!) Consider if the work shortage is temporary or permanent. One solution may be to move the employee to part-time work. If this is a valued employee, then consider how losing them will impact sales and productivity! Possibly moving the employee to a commissioned salary may help to solve the problem. Remember that once you lay them off, they will most likely be looking for other work. If in a month's time you could hire them back, how will it affect your sales and production if they are no longer available and you have to train someone else from scratch?

Discuss the problem with the employee. By being open and honest you should be able to help them to understand, that although you would like to keep them on, you can't. They may actually have some suggestions that you have not thought of that could create a win-win situation for both of you.

If you have to terminate employment due to poor performance, there are several things to keep in mind:

1. When hiring, be sure to let individuals know they are on probation. It is always best to terminate during this time period. You will be able to easily justify that the employee has not lived up to your expectation. However, if you keep an employee on, and they are not completely satisfactory, terminating employment will become harder and harder, the longer you keep them on staff.
2. Always keep detailed records of job performance. By documenting good and bad performance, it will allow you to see if this employee truly is a bad apple, or maybe they just need more guidance and supervision. ALSO, if you do have to fire them, this is your backup.
3. If the employee is past their probation period, it is very important that you give them ample time to improve their performance. This will help you to feel better about letting them go in the end. If you have given them every opportunity to improve and they have chosen not to, then you have no choice but to let them go, as keeping them may lead to lessened performance by other employees.
4. Before dismissing, have an open discussion with the employee. Maybe they have a very good reason for the decrease in performance. It might be a problem at home. You could suggest some solutions to their personal problem. However, you need to make them aware that your business is suffering as well, due to their problems.
5. Review their job description with them and give them a verbal warning to improve unsatisfactory behaviour. (Record this information in their file. Be sure to include dates and details.)

6. If the verbal discussion does not lead to improved performance, then stronger measures may be required. This time, record the discussion in the presence of the employee and note the desired improvement you are looking for. Ask the employee to sign it. If they refuse to sign it, note this on the warning. Make sure to include a date when the improvement is to occur. Or if it doesn't occur, what the repercussions will be. An example might be, "If you arrive at work past 9:00 a.m. one more time you will be dismissed immediately".

Also, before terminating any employee be sure to check your Provincial Labour Standard Laws. Different provinces require different amounts of notice or severance in lieu of notice. As well, you will be required to fill out a record of employment and pay any outstanding holiday pay.

Letting go isn't always the right answer, sometimes you can work with the employee to come up with alternate solutions. But if you do find that you have to let someone go, knowing that you have done everything you could to help them improve their performance first or change the situation, may help to make this unpleasant task just a bit more bearable.

If you have a small business and have a question or problem that you think The YEBDC could help you with please call or write to: The Yellowhead East Business Development Corporation, Box 249, Sangudo, Alberta, T0E 2A0
1-800-556-0328 or 1-780-785-2900, e mail: yebdc@yebdc.ab.ca, or access our Website at: www.yebdc.ab.ca

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