

ENDING EMPLOYMENT

Nobody works forever. Just like everybody starts work, at some time or another, everyone will have to stop. This article will outline the main ways that people leave their jobs, and the implications that leaving has for the organisation.

The termination of employment can be either voluntary or involuntary.

I Want To Go

As the word suggests, *voluntary* means that the person has chosen to leave their job. There are very few ways to leave a job voluntarily. Perhaps they have resigned, retired, or may have transferred internally within the organisation.

Resignation

To resign from a job is usually to leave by choice. The employee informs his or her employer that they no longer wish to work in that place. Most organisations require a notice period, which gives the company time to find a replacement, or pass work on to other employees. The notice period varies according to contract, but in Finland it is often one month. For part-time employees, there is sometimes no notice period.

Retirement

Some people retire before the mandatory retirement age (see later in this article). Perhaps they want to change careers, so they retire from one and start another. Or they may simply wish to end their working life early, and do other things while they are “still young”.

Transfer

Transfer involves a partial resignation, when an employee quits their job in one part of an organisation, and starts a job in another department or unit. However, they have not resigned from the company. Strictly speaking, transfer is not “termination of employment”, but since it has the same effect as termination where it occurs (the employee is no longer present), then I have included it here.

I Don't Want To Go

When somebody leaves their work *involuntarily*, they have not chosen to do so. It is required by law or organisational rules, or some other unpredictable factor.

Resignation

An example of an employee who resigns involuntarily is the disgraced executive guilty of fraud or embezzlement. In an effort to save face, so that the employee looks more respectable, the company might allow him to resign rather than be fired.

Dismissal

Firing is usually a last resort for an employee who has breached their employment contract, which usually means some kind of misconduct. They may have done something which can be stopped, but have not (such as the sexual harassment of

other employees), or done something unforgiveable in the eyes of the organisation (such as the selling of company secrets to a competitor).

Downsizing

A company may sometimes lay off employees if they are no longer required due to lack of work. This may occur due to seasonal changes (such as in fruit picking) or as a cost-cutting measure (such as when a factory closes).

Retirement

Mandatory retirement comes when a certain age is reached. For a long time, it has been 65 in the western developed world, but it is steadily increasing as the Baby Boomers decide they'd like to stay on and keep their minds occupied, and the workforce is shrinking, so there is plenty of work for them.

Not all jobs have a mandatory retirement age: politicians (Ronald Reagan was over 70 while he was President of the United States) and religious leaders (the current Pope, Benedict XVI, was 78 when elected in 2005) seem to be able to work until their term of office expires, or else they die.

Death

Death will, of course, effectively end all employment. As just stated, this is the only way to leave some (rare) forms of employment. In addition, death is a very real daily risk in some professions (police, soldier, miner, and so on), and so should be taken seriously.

Management implications

Turnover is one term used to refer to the rate of employees joining and leaving an organisation. In addition, companies sometimes refer to their *attrition rate*: the speed at which employees leave and are not replaced. Some turnover is natural; people will never stay forever. It also has a positive effect: new people mean new ideas. However, too much turnover is bad for any organisation. When people are coming and going too much, there is no stability, and the company gets a reputation as an unpleasant place to work. There are certain things that management can do to minimise turnover.

With *voluntary termination*, the employee makes their own decision about leaving. There are many reasons why employees choose to leave their jobs, and a quick search on the Internet will find a good list. If people really want to leave, you can't stop them. However, you can discourage them from leaving. This doesn't mean making threats or writing nasty clauses into the fine print of employment contracts. Time and again, surveys show that the number one reason why people leave their jobs is not money, but a lack of faith in the ability of management. You need to make sure that your company has the best managers possible in order to hold on to the best employees.

Exit interviews are an excellent way to collect information from people who leave a job on their own initiative. It will give you valuable insights into why people leave, and possible corrective actions to minimise any trends of departure. You might be

surprised how frank people will be when they are leaving a company and no longer have any fear of having their comments used against them in office politics.

Most forms of *involuntary termination* are the responsibility of the organisation, and force employees to leave. Forcing anybody to do anything is usually not good leadership practice, so it can have some dire side-effects unless it is handled properly. Involuntary resignation and *dismissal* are usually due to the actions of an individual employee, and so those who stay should feel mitigated and even relieved if they understand the reasons behind such actions. The sudden departure of a previously reliable employee is usually considered suspicious, and rumours will circulate unless the situation is explained.

Downsizing of permanent employees is sometimes necessary, but it is usually handled very badly. There have been examples of people downsized by telephone, email, and even mobile text message! These are cowardly approaches by management personnel who have no communication skills. The *only* correct way to downsize is in a face-to-face meeting with all those involved, so that explanations can be given, and questions can be asked and answered. Downsizing that is conducted simply to increase profits is usually looked upon very disapprovingly by the stock market, customers, and any remaining workforce, and is in no way motivating. It may also increase the rate of voluntary termination as people feel their jobs are at risk.

Mandatory retirement is usually required by law, and as such there is not much anybody can do about it. However, the age has been rising recently and as the legal age rises, it will become illegal for any organisation to “encourage” its older workers to leave.

In most jobs, if a colleague *dies*, it can be quite traumatic for the remaining employees, depending on how close they were. If it happens at work through an accident, or due to a crime, it’s even worse. It is the responsibility of management to minimise the personal risk to workers. If working conditions are hazardous, such as in a factory, they must be made as safe as humanly possible. Employees such as soldiers or police, who routinely encounter dangerous situations, must be given adequate training and resources.

Summary and conclusion

The end of employment can be voluntary or involuntary. Some examples of voluntary termination are resignation, retirement, and transfer. Involuntary termination includes resignation, dismissal, downsizing, retirement, and death.

Exit interviews are an excellent way to collect information about why people leave because the subjects of the interviews tend to be very honest since they have no risk attached to their comments.

Most forms of involuntary termination create a difficult situation that needs to be dealt with carefully. All these situations require good communication skills in order to reassure remaining employees of the situation. Poor handling can cause a lack of motivation in remaining staff, and even an increase in voluntary termination.

Everybody eventually finishes with their job, so turnover is unavoidable. While some turnover is healthy in all organisations, management needs to take care so that it doesn't get out-of-hand and cause instability in the company.

Some related links (copy-paste into your browser):

Downsizing with dignity

<http://humanresources.about.com/od/layoffsdownsizing/a/downsizing.htm>

Some unusual reasons why employees quit

http://www.marketinghire.com/careers/surveys/1105/unusual_reaons_people_quit.htm

Reducing employee turnover

<http://www.systemiccoaching.com/attrition.htm>

Next time, we will be discussing shyness, and how it can interfere with your work.

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