**Employee Termination Policy**

**INTRODUCTION**

This employee termination policy is a document that provides guidelines for when the company can terminate the employee and what are the consequences of termination.

After an employee is terminated, they are no longer associated with the company and its workload. Employee termination can be voluntary if the employee resigns out of their own will.

A company can fire employees under certain circumstances, including layoff, reduction, poor performance, or unethical acts.

Every organization must follow a specific procedure to terminate an employee.

**TERMINATION EXIT OPTIONS**

**1. Voluntary termination**

Voluntary termination of our company means that an employee leaves the organization on his own will. There may be a variety of reasons for voluntary unemployment. These reasons include better job opportunities, higher education, personal reasons etc.

An employee must write a resignation letter to leave his job. They have to service a standard\_\_\_\_ (number of days) notice period.

**2. Involuntary termination**

Involuntary termination of our company is when employees are asked to leave against their own will. There are various reasons for involuntary unemployment, such as downsizing, layoffs, and firing of employees

* **Layoffs and Downsizing**

Layoffs and downsizing are significant causes of involuntary unemployment. Employees are asked to leave the organization without fault. Our company usually downsizes to save costs, restructure or merge. Downsizing may also occur when a company files for bankruptcy.

* **Getting fired**

Our employees may get fired by the company due to underperformance or unethical behavior. Employees are generally not asked to serve a notice period in case of unethical behavior. Employees that are hired due to violation of company policy are given a chance to prove themselves.

* **Illegal dismissals**

An employer of our company has the right to hire and fire their employees. However, the employer cannot fire an employee without sufficient reason or cause.

If the company is found guilty of wrongfully terminating the employee, they are liable to compensate and restore their job position.

**3. Employee termination for probationary employee**

The company normally hire employees and keep them on probation for the initial\_\_\_\_\_\_\_\_\_ (number of months) before confirming their employment. This probation period lasts for\_\_\_\_\_\_\_\_\_\_ (number of days). If the performance and professional conduct of the employee are not satisfactory and fall below the company expectations, then they are given an employee termination letter by the company to relieve them from employment.

**4. Employee termination for poor performance**

After the successful hire of an employee, non-performance can prove to be costly for the organization. Our company try to train the employee and develop their skills to be par with the organizational requirements. However, if the employee still fails to perform, we can terminate employee.

**5. Employee termination due to prolonged absence**

Few employees go on an unexplained leave of absence for prolonged periods, wherein they are uncontactable, or there are no signs of them returning to the organization. This is highly unacceptable behavior as per any company rule.

**6. Basic termination**

Basic termination of employment as a way of layoff.

**7. Employee Termination for Business Needs**

When our company has to let go of employees due to factors like downsizing, restructuring, or economic difficulties, it is called “Terminating an Employee for Business Needs”. Our company follow established procedures, such as giving proper notice and compensation as per legal requirements.

**8. Employee Termination Without Reason**

* The concept of our terminating an employee without cause. It refers to the situation where our company ends the employment of an employee without any specific reason or justification, and the termination is not related to poor performance, misconduct or any other reasons.
* This type of termination is considered unfair and unethical because the employee is being terminated without a valid reason and without the opportunity to address any issues or improve.
* Additionally, employees who are terminated without cause are given compensation and benefits.

**9. Employee Termination for the Infringement of Company Rules**

* Terminating an employee for infringing company rules refers to the act of dismissing an employee from their job because they have violated the established policies, procedures, and regulations within a company.
* This type of termination occurs when an employee engages in behavior that is deemed unacceptable or disruptive to the workplace. This can include violations such as theft, harassment, substance abuse, and insubordination.
* The reason behind this type of termination is to ensure that the company’s workplace remains productive, safe, and compliant with all laws and regulations. The process usually involves an investigation to gather evidence of the violation and a review of the employee’s file to see if there have been previous incidents of misconduct.

**10. Employee Mutual Termination**

* Terminating an employee on mutual grounds refers to a scenario where both the employee and the employer agree to end the employment relationship due to personal reasons of the employee. This can include seeking better career opportunities, relocating, personal health concerns, or other reasons not related to job performance.
* The reason behind this type of termination is to provide a hassle-free exit process for the employee and to maintain a positive relationship between the employee and the company. The process involves a mutual agreement between the employee and the employer, including the terms and conditions of the termination, such as the notice period, severance pay, and other benefits.

**TERMINATION PROCEDURES**

Firing is one of the most challenging things leaders have to do. When it comes to terminate the employee in our company, there are specific rules and regulations that we follow to ensure a fair and compliant process. Here are some key points we keep in our mind:

**1. Identify and document**

The first step in our company is to identify and document the issue because of which employee is being terminated. We report the matter as there will be no chance of retention without documentation of the problem. So, we can solve the whole issue if possible.

**2. Counselling of employees**

Our Employees are counselled and coached at the first signs of performance issues. Some employees may require additional training to perform well. And if this issue persists, the training will be arranged as soon as possible by us. Coaching is essential to rectify the problem.

**3. Performance improvement plan**

We kept our employee under a performance improvement plan if he is not performing as per the desired standards.

Our plan will contain organizational training for every individual employee who is put under a performance improvement plan.

**4. Terminate the employee**

The best practice regarding how to terminate our employee involves sitting face to face with them.

Our employers will take necessary steps to retain employees, if possible, on their part.

**5. Exit interview with HR**

We schedule an interview between the terminated employee and HR in order to make a final settlement of the employee.

The final settlement we include a payout to the employee if any outstanding leave payout settlement. If the employee possesses any asset of the organization, they are asked to return them.

**6. Notice Period**

As per Indian Contract Act, we require our employers to give notice to employees either a month or two months in advance, based on the terms agreed upon in the employment contract. If no notice period is specified, our company provide the reasonable amount of time to the employee.

**7. Payment of Wages:**

As per Payment of Wages Act our employers will pay all wages earned during the notice period, even if the employee doesn’t work during that time.

**8. Reasons for Termination:**

The company must have a valid reason for termination, such as poor performance, misconduct, or redundancy. We provide a valid explanation, follow due process, and give the employee a chance to respond.

**9. Termination Without Cause:**

If our company terminate any employee without a valid reason, they will be entitled to compensation equal to the notice period.

**10. Retrenchment:**

As per Industrial Disputes Act, we allow for retrenchment of employees in cases of a bona fide business closure or significant workforce reduction due to technology or economic reasons. Proper procedures, including giving notice to government authorities and compensating affected employees, will be followed by the company.

**11. Unfair Dismissal:**

Our Employees can file a complaint for unfair dismissal if they believe the termination was unjust or discriminatory. And that complaint must be made within 6 months and the employer must prove their case.

Our company understand and comply with all these legal rules to avoid any legal issues and protect our company’s reputation.

**Contact Us:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Company Name)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Company Mobile Number)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Company Email ID)