# TERMINATION OF EMPLOYMENT PRACTICES IN AUSTRALIA

2015 White Paper





# INTRODUCTION

# It is with great pleasure that I welcome you to our firm's inaugural White Paper.

Since opening our doors in 2010, our firm has been at the forefront of thought leadership and insightful analysis of labour and employment practices and trends in Australia. It is well-known that our firm provides solutions that extend well beyond the provision of more legal advice and representation. Consistent with this mission, we will each year, publish a White Paper so as to provide our clients and partners with a forum to benchmark their organisation's performance and practices. This White Paper marks the first of these undertakings.

When considering what should be the subject matter of our first research project, we identified a gap in knowledge regarding current practices and trends adopted by organisations in relation to terminations of employment, and in particular the indirect costs and impact of terminations of employment.

In our experience, there are a range of measures that an organisation will utilise to understand the cost and impact of terminations of employment. These measures typically include readily ascertainable and objective measures such as:

- the number of terminations in any given year;
- any amounts paid to fulfil legal obligations under a contract, award or agreement; and
- payments voluntarily made by the organisation or ordered by a body such as the Fair Work Commission.

In compiling this report, we embarked on a process of ascertaining critical information on the practices adopted by organisations in Australia in terminating employment, including the time spent by organisations managing terminations, the "real" reasons behind terminations, up-scaling of compensation payments, and legal costs associated with terminations – that is, some of the factors that give rise to "indirect" costs of terminations of employment. This White Paper provides insights into these practices, and enables Australian employers to explore strategies for managing their costs in relation to terminations and to develop an integrated approach to employee separation.

Our legal team has devoted a considerable amount of time and effort in compiling the initial survey (entitled "Business Costs in Termination of Employment in Australia" conducted from March to May 2015) and also analysing the survey data. To ensure a diversity of respondents, we extended the opportunity to complete the survey outside of the firm's client base and utilising events such as the HR Summit Series as well as various social media platforms such as LinkedIn, Facebook and Twitter. The survey was completed by 72 respondents providing an extraordinary cross-section of employers in Australia. Further information about the respondent organisations is set out in the report below.

As a firm, we have invested time and energy into ensuring the quality of data and analysis in order to give you an accurate picture of current practices and trends. I hope you find this report useful and encourage you to share the information with your colleagues and leadership team.

Joydeep Hor Managing Principal June 2015

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# **KEY FINDINGS**

- Redundancies and performance-based terminations make up the majority of terminations effected over the past 12 months.
- A majority of organisations have policies pertaining to redundancy, performance and misconduct, but only a minority of organisations have policies relating to negotiated separations and medical/fitness for work.
- Terminations resulting from poor performance, unfitness for work and misconduct are the most time-intensive for individual respondents, with over 65% of respondents spending several days on each individual termination.
- Performance-based terminations are the most "risky" type of termination, with 36% of organisations faced with actual or threatened legal proceedings following a performance-based termination up to half the time.
- 88% of organisations faced with actual or threatened legal proceedings paid additional compensation at least once in effecting performancebased terminations.
- 60% of respondent organisations sought external advice or assistance, with the average cost of legal fees reported as being between \$1,000 and \$5,000.
- At least half of all organisations either made an employee's position redundant or negotiated a separation when the "real" reason for separation was otherwise.

# CATEGORISATION OF ANNUAL REVENUE OF RESPONDENTS

under \$1 million

# \$5 million to \$10 million

# Above \$50 million

# \$10 million to \$50 million

\$1 million to \$5 million

# WHAT THE SURVEY DATA SHOWS

# 1. TYPES OF TERMINATIONS EFFECTED OVER PAST 12 MONTHS

- 31% of organisations effected 5 or more redundancies
- 25% of organisations effected 5 or more performance-based terminations
- 18% of organisations effected 5 or more terminations based on an employee's misconduct
- 11% of organisations effected 5 or more terminations based on a negotiated separation
- 5% of organisations effected 5 or more terminations based on an employee's fitness for work.

## **COMMENTARY**

Overall, the most common type of termination was in the form of a redundancy, with nearly one in three organisations effecting five or more in the past year. Performancebased terminations were the next most frequent type of terminations, with one in four employers electing to terminate employment based on an employee's performance five or more times.

Nearly one in five organisations had five or more instances where the terminations were the result of employee misconduct. All organisations who effected 5 or more terminations based on performance, employee misconduct or fitness for work had more than 100 employees. Nearly 90% of organisations who effected 5 or more redundancies had more than 100 employees.

# 2. POLICY NEXUS

## Redundancy

- Of organisations who effected less than 5 redundancies last year, 60% had policies in place.
- Of organisations who effected 5 or more redundancies last year, 73% had policies in place.

#### Performance based

- Of organisations who effected less than 5 performance based terminations last year, 72% had policies in place.
- Of organisations who effected 5 or more performance based terminations last year, 89% had policies in place.

#### Misconduct

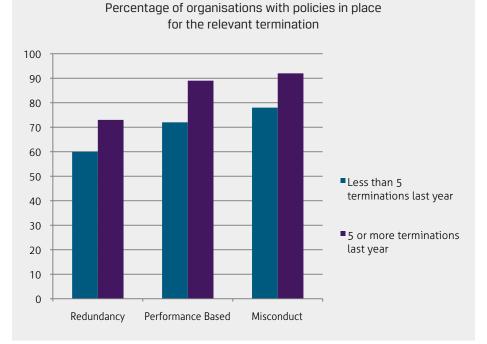
- Of organisations who effected less than 5 misconduct based terminations, 78% had policies in place.
- Of organisations who effected 5 or more misconduct based terminations, 92% had policies in place.

#### Negotiated separation

- Of organisations who effected less than 5 negotiated separations, 81% did not have policies in place.
- Of organisations who effected 5 or more negotiated separations, 88% did not have policies in place.

#### Medical/ unfit for work

- Of organisations who effected less than 5 terminations based on medical reasons, 65% **did not** have policies in place.
- Of organisations who effected 5 or more terminations based on employees being medically unfit for work, 75% **did not** have policies in place.



# COMMENTARY

The majority of terminations that occur with respect to misconduct and poor performance are executed in circumstances where the organisation has a relevant policy or procedure in place. One explanation for this is that the existence of clear polices on misconduct and poor performance may give managers confidence in following through on the unsatisfactory performance or misconduct. In one-third of terminations with respect to redundancy an applicable policy was absent, highlighting for those organisations the clear need to redress this shortfall in their practices. While it is understandable that many organisations do not have a specific policy addressing rights and obligations on negotiated separations, providing internal guidance

and training on where this might be an appropriate approach and how to manage the situation would be useful for many organisations.

Managing terminations relating to medical reasons involves a complex interaction of employment, work health and safety, privacy and anti-discrimination obligations. Compliance with workers compensation obligations may also need to be factored in where the medical reason arises from a workplace injury or event. The reported absence of policies in this area suggests that there is scope for employers to improve their practices through the implementation of policies in this context as part of a strategic approach to manage terminations proactively and avoiding unnecessary conflict with employees.

# 3. TIME SPENT ON TERMINATIONS

### Redundancy

Of organisations who effected 5 or more redundancies in the last year 73% spent at least a day, and 64% spent several days on each termination.

#### Performance based

Of organisations who effected 5 or more performance based terminations last year, 66% spent several days on each termination (no respondents spent "about a day").

#### Misconduct

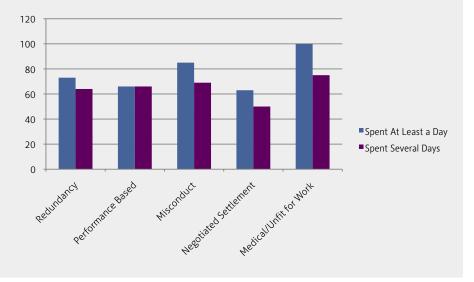
Of organisations who effected 5 or more terminations based on employee misconduct, 85% spent at least a day on each termination and 69% spent several days on each termination.

### Negotiated separation

Of organisations who effected 5 or more mutually agreed terminations, 63% spent at least a day on each termination and 50% several days on each termination.

## Medical/ unfit for work

Of organisations who effected 5 or more terminations based on the employee being medically unfit, 100% spend at least a day on each termination and 75% spent several days on each termination.



Time spent by organisations who effected 5 or more terminations last year

# COMMENTARY

Respondents to the survey indicated that they spent several days on each termination. Hence, where they effected a number of terminations in any year, the time commitment is significant and takes managers away from other important tasks. It is important to note that other key staff within an organisation, such as line managers or senior management personnel, are also likely to have spent considerable additional periods of time in dealing with performance management, conducting investigations, or ensuring the right medical assessments are undertaken, depending on the particular trigger for the termination. Hence in ascertaining the time drain of terminations, the time commitment of other staff should also be factored in.

Where the termination involves allegations of misconduct, the time commitment is likely to be higher. The most time-intensive terminations appear to be where fitness for work due to a medical condition is the issue. This reflects the complex nature of the intersecting legal obligations that apply and the detailed attention required to effect terminations successfully in these circumstances.

# 4. ACTUAL OR THREATHENED LEGAL PROCEEDINGS

## Redundancy

- 74% of organisations never had actual or threatened legal proceedings following a redundancy.
- 23% of organisations had actual or threatened legal proceedings following a redundancy up to half of the time.
- 3% of organisations had actual or threatened legal proceedings following a redundancy over half of the time.

# Performance based

- 59% of organisations never had actual or threatened legal proceedings following a performance-based termination.
- 36% of organisations had actual or threatened legal proceedings following a performance-based termination up to half of the time.
- 5% of organisations had actual or threatened legal proceedings following a performance based termination over half of the time.

# Misconduct

- 62% of organisations never had actual or threatened legal proceedings following a misconduct-based termination.
- 32% of organisations had actual or threatened legal proceedings following a misconduct-based termination up to half of the time.
- 6% of organisations had actual or threatened legal proceedings following a misconduct based termination over half of the time.

# **Negotiated Separation**

- 86% of organisations never had actual or threatened legal proceedings following a negotiated separation.
- 12% of organisations had actual or threatened legal proceedings following a negotiated separation up to half of the time.
- 3% of organisations had actual or threatened legal proceedings following a negotiated separation over half of the time.

# Medical/unfit for work

- 77% of organisations never had actual or threatened legal proceedings following a termination based on an employee being medically unfit for work.
- 20% of organisations had actual or threatened legal proceedings following a termination based on an employee being medically unfit for work up to half of the time.
- 3% of organisations had actual or threatened legal proceedings following a termination based on an employee being medically unfit for work over half the time.

# COMMENTARY

From the survey data one conclusion to draw is that of all the bases for terminations, performance and misconduct more frequently gives rise to actual or threatened legal proceedings. Performance-based terminations are often challenged initially through a threat of an unfair dismissal application, where the employee comes within the scope of this jurisdiction. As a low-cost iurisdiction. the threatening or actual institution of unfair dismissal proceedings is not necessarily a significant hurdle for a dismissed employee. Misconduct issues are often quite contentious and generally involve a judgement call as to whether the conduct warrants termination at this point in time. Misconduct issues also require a careful balancing of the circumstances of the employees and the impact of their conduct on other employees, and the workplace more generally.

# 5. VOLUNTARY OR REQUIRED PAYMENT OF ADDITIONAL COMPENSATION OR BENEFITS

### Redundancy

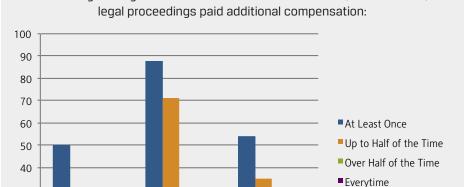
- 50% of respondent organisations who were threatened with, or involved in, legal proceedings paid additional compensation or benefits at least once.
- 30% of employers paid additional compensation up to half of the time.
- 17% paid additional compensation over half of the time.
- 11% paid additional compensation every time.

### Performance based

- 88% of respondent organisations who were threatened with, or involved in, legal proceedings paid additional compensation or benefits at least once.
- 71% paid additional compensation up to half of the time.
- 21% paid additional compensation over half of the time.
- 13% paid additional compensation every time.

#### Misconduct

- 54% of respondent organisations who were threatened with, or involved in, legal proceedings paid additional compensation or benefits at least once.
- 35% paid additional compensation up to half of the time.
- 19% paid additional compensation over half of the time.
- 15% paid additional compensation every time.



Percentage of Organisations that when threatened with, or involved in,

# COMMENTARY

Redundancy

30

20

10

0

Performance-based terminations are the most common circumstance where additional compensation is paid when faced with threatened or actual legal proceedings in respect of that termination. Some may be ordered to do so by the Fair Work Commission, but in other circumstances this may be a step initiated by the employer to incentivate the departure. This raises a number of questions, such as whether such action is taken in accordance with the organisation's existing policies and procedures, whether senior management is aware of such practices, and whether such an additional payment is in fact necessary in the circumstances.

Misconduct

Performance Based

# 6. EXTERNAL ADVICE

### Over the past 12 months:

- 60% of respondent organisations sought external advice as a result of legal challenges in relation to terminations;
- 40% of respondent organisations spent, on average, between \$1000-\$5000 on each termination;
- 50% of respondent organisations sought legal advice in a minority of terminations only; and
- 27% of respondent organisations reported never seeking legal advice in the terminations they have effected.

# COMMENTARY

The results of the survey disclose that 3 out of every 5 respondent organisations seek external advice or assistance on disputed terminations. The average cost for legal fees is reported as between \$1,000 to \$5,000. Only 5% of respondents spend on average more than \$25,000.

40% of respondents are not a member of employer associations or industry groups and therefore do not receive advice from these groups. Of those who seek external advice on all terminations (including redundancy, performance based, misconduct, negotiated separation and medical/ unfit for work), 68% do not have to pay additional compensation or benefits to the dismissed employee.

Combining the data on the existence of policies and seeking external advice, the survey reveals that 68% of respondents who do not seek legal advice on the terminations have policies in place. This highlights the potential benefits of "front-end lawyering" whereby organisations proactively seek advice to ensure they have comprehensive and up-to-date policies in place, that their managers are appropriately trained and upskilled, and that these polices are being followed.

# 7. REAL REASONS FOR TERMINATION

#### Over the past 12 months:

- 50% of respondent organisations made an employee redundant even when the "real" reason for separation was otherwise, such as performance or poor cultural fit;
- 61% of respondents negotiated a mutual separation with a employee when it should have been a performance-based termination; and
- 69% of respondents did not terminate an employee's employment just to make them "go away", despite there being policy, procedures or legal requirements that may have affected this course of action.

# **COMMENTARY**

The results of the survey indicate that it is relatively common for organisations to use redundancy to facilitate an end to the employment relationship, rather than terminating the employee for the "real" reason such as performance or poor cultural fit. Similar practices arise in relation to negotiating a mutual separation, in circumstances where it should have been managed as a performance based termination. However a reasonably high number of respondents stated that they do not terminate an employee's employment just to make them "go away". In looking at the responses to the three questions, the high negative response rate on the "go away money" guestion suggests that those completing the survey interpreted the "fake" redundancy situation and the mutual separation for poor performance situation as something distinct and different from terminating to make the person "go away".

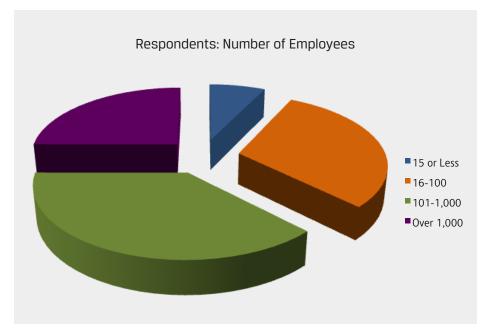
# 8. ORGANISATIONAL PROFILES

41% of the respondents surveyed had a total of between 101-1,000 employees in their organisation. 38% of the respondents had revenue of above \$50 million. Only about 5% of the respondents had more than 10,000 employees. 14% of the respondents were engaged in professional services and 17% of the respondents were from notfor-profit/charitable organisations. There were no respondents from the building and construction industry. The locations with highest responses to the survey were NSW, followed by Victoria. The majority of those who completed the survey worked for organisations located in NSW, but for many of those the organisation itself was located in both NSW and Victoria. 14% of the respondents were from organisations that operated in all the locations. The location with the least respondents to the survey was the Northern Territory.

54% of the respondents to this survey were Managers of an organisation, although it should be acknowledged that those who completed the survey were not necessarily those that effect the terminations. Only about 5% of the responses were from the CFO/Finance Director/COO/CEO of an organisation, but this level of senior staff may still be indirectly involved in a termination where a claim is settled for a significant figure.

76% of the respondents were those who worked in a human resource function. There were no respondents who worked in the IT & Technology and Sales & Marketing function.

There is nothing in the data to indicate that larger organisations, or those with more significant turnover, negotiate settlement agreements more frequently.



# 9. CASE STUDY ON PERFORMANCE MANAGEMENT DATA

Of the respondent organisations, 78% had a policy on performance management. Nevertheless, 43% had effected a redundancy where the dismissal should have been for another reason, including poor performance. For those that did not have a performance management policy, 47% also effected a redundancy termination where the circumstances warranted termination on another basis such as poor performance. It is interesting to note that for organisations that had a performance management policy, only 45% had not effected a redundancy where termination based on poor performance was potentially warranted.

In addition, even where there was an applicable performance management policy, 54% had nevertheless negotiated an agreed separation, instead of performance managing an employee out of the organisation. Only one-third of organisations with a performance management policy had not taken the path of a negotiated separation instead of following through on their policy. Close to 50% of those who did not have a performance management policy also chose to negotiate a separation.

The survey data shows that 37% of terminations for performance for the survey period resulted in actual or threatened legal proceedings. In a quarter of those cases, additional compensation was provided to the employee.

Looking overall at the survey outcomes, there appears to be a tendency in dealing with performance-based terminations, even where there is a policy in place, to pay additional compensation. However it should be acknowledged that in some situations this additional compensation may in fact be ordered (or at the very least facilitated or encouraged) by a body such as the Fair Work Commission. However in other circumstances, the termination may be costing the employer more than it should if, rather than paying additional compensation, the organisation's policies were adhered to and managers were well-versed in their implementation.

Of those who had a policy on performance management:

- 20% spent less than \$1,000 on legal fees per termination;
- 23% spent between \$1,000 \$5,000 on legal fees per termination;
- 14% spent between \$5,000 \$25,000 on legal fees per termination;
- 4% spent more than \$25,000 on legal fees per termination; and
- 37.5% did not specify.

Drawing a correlation between the existence of a policy within an organisation and the cost of legal fees incurred, the survey responses indicate that close to half of the organisations were able to reduce their legal spend to \$5000 or less where a policy on performance management was in place.

# **10. KEY FINDINGS ON INDUSTRY BREAKDOWNS**

#### Retail

### Banking

- 50% of retail respondents did not have any policies on termination.
- 50% of retail respondents spent at least \$5,000 on legal advice in relation to each termination effected.
- 75% of retail respondents sought termination advice from an employer association.

## **Professional Services**

- 89% of professional services respondents did not seek legal advice as a result of actual or threatened legal proceedings.
- 56% of professional services respondents effected a redundancy, where the real reason would have justified termination on a different basis.
- 44% of professional services respondents reported having negotiated an agreed separation instead of performance managing an employee out of the business.
- Respondents in the professional services industry had, comparatively, a lack of policies. Of respondents in the professional services industry:
  - 44% had a policy on redundancy;
  - 56% had a policy on performance management;
  - 56% had a policy on misconduct;
  - 22% had a policy on agreed separation; and
  - 22% had a policy on unfitness for work.

- Respondents in the banking industry were, comparatively, more likely to have workplace policies. Of respondents in the banking industry:
  - 86% had a policy on redundancy;
  - 86% had a policy on performance management;
  - 86% had a policy on misconduct;
  - 43% had a policy on agreed separation; and
  - 43% had a policy on unfitness for work.
- Of the respondents in the banking industry, none had paid an employee additional compensation in respect of threatened or actual legal proceedings when the termination was for redundancy, misconduct, agreed separation or unfitness for work. 28.57% had paid additional compensation in up to half of performance-based terminations where legal proceedings were threatened or commenced. However, 86% of respondents in the banking industry had negotiated an agreed separation where the employee should have been performance managed out of the business, indicating there may be a potential reluctance to enforce performance management policies.

# Not for Profit ("NFP")

- Of the respondents in the NFP industry:
  - 82% had a policy on redundancy;
  - 73% had a policy on performance management;
  - 82% had a policy on misconduct;
  - 18% had a policy on agreed separation; and
  - 45% had a policy on unfitness for work.
- Of the respondents in the NFP industry:
  - 18% had (on at least one occasion) paid an employee additional compensation in the event of a redundancy;
  - 36% had (on at least one occasion) paid an employee additional compensation in the event of a performance-related termination;
  - 18% had (on at least one occasion) paid an employee additional compensation in the event of a termination for employee misconduct;
  - 9% had (on at least one occasion) paid an employee additional compensation in the event of a negotiated separation; and
  - 9% had (on at least one occasion) paid an employee additional compensation in the event of a termination for unfitness for work.

73% of NFP respondents had sought legal advice regarding terminations of employment.

# Fast moving consumer goods industry (FMCG)

- 75% of respondents in the FMCG industry had a turnover of above \$50million.
- 100% of respondents in the FMCG industry had policies on redundancy, performance management and misconduct.
- 75% of respondents in the FMCG industry had not effected a redundancy where the real reason was some other basis, but 75% had negotiated a mutual separation where the real reason for termination was performance related.

## Manufacturing

- 86% of respondents in the manufacturing industry had policies on redundancy.
- 100% of respondents had policies on performance management.
- Despite this, 71% of respondents in the manufacturing industry had effected redundancies or negotiated a mutual separation when the reason for termination was performance.

## Hospitality

- There were comparatively few respondents in the hospitality industry.
- 100% of respondents in hospitality had sought external legal advice on terminations.
- No respondents in hospitality had effected a redundancy where the real reason was some other basis.
- 33% of respondents in hospitality had effected a negotiated separation when the reason for termination should have been performancebased.

# Information technology & telecommunication (IT & T)

- There were comparatively few respondents in the IT & T industry.
- No terminations in this industry were effected as redundancies where the real reason was some other bases, or negotiated separations when the reason for termination should have been performance based.
- Two thirds of respondents in IT & T had sought external legal advice on terminations.

## Government

- Of respondents in the government sector, 100% had been threatened with legal proceedings or had proceedings commenced against them following termination based on performance, despite two thirds of these respondents having policies on performance management.
- 100% of respondents in the government sector had negotiated a mutual separation when the reason for termination should have been performance based. Two thirds of these respondents were threatened with legal action or had legal action commenced against them following these separations.

# 11. KEY TAKE-AWAYS

# 11.1 What do the survey outcomes mean for you and your organisation?

Terminations in the workplace remain a very costly part of running a business. Many employers do not have a proactive management strategy in place, and are therefore not able to respond in a timely and efficient manner when difficulties arise in the termination context. As a result considerable time and resources are then directed to reactively deal with these terminations. A proactive strategic approach, accompanied by the appropriate policies and procedures, can minimise the time and resource drain of managing terminations of employment.

# 11.2 PERFORMANCE MANAGEMENT – A holistic and integrated approach

As we have seen in the survey data, poor performance is the leading factor resulting in terminations. A holistic and integrated approach to performance management will ensure that terminations resulting from poor performance are addressed early and for the 'right' reason, and do not need to be managed under some other guise such as redundancy. This front-end, proactive approach starts well before an employee is placed on a performance management plan.

# Step 1: Having the documentation in order

All documentation pertaining to the employment relationship including contracts, policies and other guidance material should clearly set out performance objectives, performance indicators, learning and development goals, and the procedures and processes that apply.

# Step 2: Clearly identifying organisational objectives and regular auditing

Any performance objectives should be clearly stated, and their articulation linked to the relevant group/section/divisional strategies within the organisation. These performance objectives should be audited regularly to ensure they remain current and relevant to the broader needs of the organisation. In addition, measuring an employee against these performance objectives should be assessed at clearly defined and stated intervals, with any aspect of under-performance or inadequate performance duly recorded and managed appropriately.

# Step 3: Learning and Development framework

Ensure your organisation provides training at regular intervals linked to its learning and development goals and organisational objectives, and that employees are fully cognisant of such goals and how they are to be achieved.

# Step 4: Enabling follow through by managers

Having appropriate performance appraisal and performance management infrastructure and processes in place ensures that managers are empowered to step up and effectively respond to a properly documented and well-managed under-performance problem, rather than needing to characterise it as some other type of termination or incurring additional costs to make the problem "go away".

# 11.3 POLICIES AND PROCEDURES

The survey data shows that despite most employers having policies and procedures to deal with various types of terminations effected in their organisations, many employers are still paying additional compensation to employees or terminating an employee's employment for an alternative reason rather than the 'real' reason for the termination.

One explanation for this is that within organisations managers may not be well-versed in what the policies and procedures require; do not follow through on the prescribed policies and procedures; or may not place adequate faith in the effectiveness of their organisation's policies and procedures.

## Step 1: Review

Policy review is the first step in determining the effectiveness of existing policies and procedures within your organisation, in particular to ensure that policies are up-to-date with any current legal developments and are aligned with the strategic direction and goals of the organisation.

Identifying gaps in existing policies and procedures is an important part of this process. For example, few employers surveyed had policies directed to managing terminations relating to medical/fitness for work; an area that gives rise to a complex matrix of compliance obligations.

### Step 2: Training of managers

After policies and procedures have been reviewed, it is imperative that organisations undertake training of managers and HR professionals in the content, scope and procedural requirements of policies and procedures in order to build certainty in the manner in which policies should be executed and in their accurate and effective implementation within the organisation. It may be useful for organisations to draw up supplementary guidelines for use by managers in conjunction with policies and procedures in order to maintain consistency within the organisation as a whole.

### Step 3: Engaging with employees

It is important that employees are aware of all policies and procedures impacting on their employment and are kept abreast of any changes to existing policies. Any information and training program should be rolled out on every occasion when any new policies and procedures are put in place within an organisation, and should be part of any induction for new staff. This is not a one-off process, but requires regular reinforcement to ensure on-going compliance.

#### Step 4: Senior management

Ensuring that senior management are aware of the policy parameters in which terminations are to be managed will help contain the costs and limit the likelihood of terminations that involve a contrived reason or excessive compensation to make the problem go away.

# 11.4 SEEKING EXTERNAL ADVICE

Having the necessary policies and procedures in place can minimise unnecessary costs. Furthermore, obtaining the correct advice can also facilitate cost and time-effective resolutions. Specialists in the field can identify whether the particular circumstances of an employee or group of employees warrants an adjustment in approach, or whether it is more beneficial for an organisation to negotiate a settlement or defend court proceedings.

The survey results suggest that those who seek external advice on all terminations did not generally pay additional compensation or benefits to dismissed employees, thereby freeing up valuable management time and, presumably, protecting the employer brand. This reiterates the need for "front-end lawyering" which can ensure a tailored and cost effective plan for carrying out employee terminations. External advisors can assist in areas such as:

- i. Developing a proactive strategic approach to managing terminations.
- ii. Reviewing employment contracts and associated documentation.
- iii. Policy development, review and implementation.
- iv. Information and training programs.
- v. Auditing of current termination practices.
- vi. Leadership training both at a group and an individual coaching level.

# **About PCS**

People + Culture Strategies (PCS) is the leading provider of legal and strategic solutions in labour and employment matters in Australia. The PCS model is based on an endto-end holistic service with the emphasis on acute awareness and the importance of partnering with clients at the front-end of decision-making and problem solving.

Founded in 2010, PCS now has offices in Sydney, Melbourne and Brisbane and has established itself as one of Australia's most innovative and value-creating professional services firms. PCS works with employers, many of whom are global brand names, to service their legal and strategic needs in people management in Australia. The firm has recently introduced capability to assist its clients with migration law matters.

PCS has a unique approach to partnering with clients to ensure it is ready to respond strategically to any crisis in the most appropriate way across areas and activities such as contract disputes, discrimination, bullying and harassment investigations, unfair dismissal and adverse action claims.

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