

Summary

Chapter Ten : Separation

10.1 What is Separation?

Separation occurs when an employee leaves the organization. Separation can be voluntary or involuntary. When separation is voluntary the initiative for separation is taken by employee while in involuntary separation, it is by employer. Separations reduce overheads and make organizations leaner. If new entrants are hired they bring in new ideas and skills and diversity.

Separations can cause disruptions and may increase costs.

10.2 Different types of Separation.

Voluntary Separations. Employee resigns or decides to quit when he is totally dissatisfied with the job, suffers from ill health, spouse has relocated or he has secured a better job elsewhere. Retirements occur when employees reach the end of their career. Benefits like pension, gratuity or provident fund are available to retiring employee. It is an amicable process.

Involuntary Separations. Employers ask employees to leave when 1] organization is passing through financially adverse conditions, 2] employees show deviant behaviour or 3] faulty hiring resulting in mismatch between job and employee. Employee is discharged if there is excessive absenteeism, serious misconduct, theft of company property, espionage or submission of false data at recruitment. Employees are laid off for a certain period when organization is faced with recession, shortage of raw materials, accumulation of stocks or any such reason. 50% of the normal wages are payable as compensation during layoff for employees covered under Industrial Disputes Act, 1947. Employees are retrenched

permanently when they become surplus due to automation, change in products or closure of a department etc. Retrenched employees are entitled to compensation. Here surplus labour is reduced by paying hefty compensation to employees agreeing to retire prematurely. The schemes have to be handled tactfully to ensure that competent employees do not quit the organization. Downsizing means reducing the size of the workforce. It involves several employees and is adopted when organization incurs losses over a period of years or when organization is restructured. Downsizing should be handled carefully because of its negative impact. It affects employee morale as the surviving employees experience loss of identity, colleagues and security. Also economic benefits planned do not always materialize.

10.3 How to manage Separation effectively?

Employee separation needs to be handled with sensitivity, discretion and speed so that exits can happen smoothly and on good terms. Ex-employees are the most effective brand ambassadors for the company. Exiting employees present a wealth of valuable feedback and insights on the organization's strengths and weaknesses. This important data about employer has to be collected through exit interviews of leaving employee.

Exit interview should be mandatory for all leaving employees. It should have structured set of questions like reasons for leaving, best and worst points about the job as well as about organization, would employee like to come back later and what would make organization better.

10.4 How to minimize turnover / reduce attrition

Attrition can be reduced by retaining high performers through innovative reward schemes while engaging in human resource planning to ensure that only a few employees occupy difficult to replace positions. Succession planning for top positions is required to identify, develop, retain and allocate

key members of your workforce before any talent gap occurs. This is a sound process to replace key vacancies. Succession planning efforts need to be integrated into organization's strategic overall business plans. *Career Development* refers to a formal approach used by an organization to ensure that employees with proper qualifications and experience are available when needed. It is the most effective retention tool and one of the greatest motivator to keep employee happy and engaged. Employees have a clear career track, know the obstacles they need to overcome and final goal to be reached. It is a major HR step to build intellectual capital.

10.5 Related reading

While dealing with employee who has resigned, HR has to tie loose ends and bring about a positive transition and in no way de-motivate the team. A common meeting by HR of the team with the leaving member needs to be arranged to resolve grievance, if any, and to maintain productivity at earlier high levels.

Layoff or Downsize are terms that are quite familiar now to Indian workers. Still when layoff happens affected worker is taken by surprise and rarely has financial power to tide over the unexpected vacation. Laid off employee has to remember that he is not the only one to suffer this loss and there was nothing personal that made him lose the job. It has to be viewed as an opportunity to introspect & start afresh. Normally there are always early signals about impending layoff or downsizing. It is the time when you should be in constant touch with supervisors and get their feedback. Set up your networking both inside and outside the office. Update your resume tailor made to suit the job for which you are going to apply. This can perhaps open new gates to your career growth.

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