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Employee Offboarding

Beyond Onboarding: Is Offboarding Employees Your Blindspot?

One of the best things your HR team can do is systemize the separation process so you get your applicable forms delivered in a single digital packet.

Employees leave organizations for a variety of reasons - a new job, retirement, or layoffs to name a few. Regardless of the reason, as an employer, it is your job to help ensure their exit is as streamlined as possible for both you and them.

As an HR professional, you are well aware of the complexity of processes your team handles during the entire employee lifecycle. Since you want employees to have a positive experience from the beginning of their employment, onboarding tends to get the most attention. However, offboarding is equally as important as you can strategically provide a more positive employee experience, help protect your company's reputation, and can help mitigate risk caused by complicated offboarding requirements.

To get offboarding right, you need processes in place that check all of the offboarding boxes while maintaining and enhancing efficiency, as well as strategic ideas that could help affect turnover before it starts.

Let's dig in.

Process

Process is Key to Effective Offboarding

Processes are critical to your success when it comes to repetitive operations that need to take place, and it is no different when it comes to offboarding your employees. You can work to create an efficient process, and make your employee separations as smooth as possible. Here are **4 key considerations** when creating an efficient and effective offboarding process.

Communicate effectively during departure

Communications are key to help ensure a smooth transition for the employee as well as the rest of the organization. Look for ways to incorporate the following:

- Develop an internal communication plan informing stakeholders including management and key team members in the organization.
- Transition work and responsibilities, including access to files, updating work schedules, etc.
- Notify clients, vendors, or any external contacts with which your employee had regular communication.
- Establish a timeline for the employee of what will happen e.g., returning company assets, exit interview, etc.
- Conduct an exit interview to learn how your organization can improve the employee experience.

Internal department processes

The best processes are written down. Ensure you have a written Standard Operating Procedures manual (even better if it's automated) for what steps need to be taken internally once an employee terminates employment. Most Human Capital Management (HCM) systems will allow for a process to be set up for sending notifications and/or tasks such as:

- Requesting a written and signed resignation letter if the employee is resigning
- Notifying IT to restrict online systems access
- Confirming when and where company equipment is returned
- Removing any security access to buildings
- Redirecting email and files to managers

If your HCM system allows for it, consider an API integration between systems. Pre-built API solutions can help streamline your processes with less manual effort. See if an API integration is the right move for you with this **checklist**.

Getting your offboarding paperwork in order

Organizations must be prepared for the paperwork that needs to be distributed when employees leave, and possibly most importantly, those that may vary by state. The information you present is critical to a smooth offboarding process and should be concise and timely. Examples of forms you may be sending to your employees include:

- State specific separation forms
- Logistical information for returning company-owned equipment
- Consent to receive an electronic W-2
- Benefits information and expectations for COBRA
- Last paycheck information
- A copy of their non-compete and/or non-disclosure agreement
- Retirement, equity, and employee stock information
- Exit interview questions
- Contact information for questions
- Any additional FAQs

Watch out:

Remote workers up the ante

Form management is especially tricky for multi-state employers with an increasing number of remote employees who may work in a state where there isn't a physical office location. Where the employee sits and works often determines the forms they must complete, so regularly verifying your employee's physical address, if working remotely, is key.

State Requirements

Many states require or recommend separation notices be sent to terminated employees. Employers are required to monitor for any updates to these separation notices in all states where they have employees working, including those working from a home office. If the forms are not provided to the former employee or not managed properly, it can result in material fines. Those penalties for non-compliance are not as clearly defined as they are for something like the Form I-9, so their impact may vary. But the bigger risk could be litigation by an employee who may claim that they never saw a notice if termed or reprimanded for something that is in the notice itself.

Some states have an increased chance of receiving an employment charge because the state laws go beyond the U.S. federal guidelines. <u>New Mexico</u> for instance has a 66% more likely chance to receive a charge compared to the average.

Utilizing technology to help automate offboarding forms

One of the best things your HR team can do is systemize the process so you get your applicable forms delivered in a single digital packet. Organizations are finding ways to use applications like **Offboarding Forms** to help automate and better manage their offboarding process. Technology can help you establish rules-based decisions to determine which forms each employee receives, depending on your organization's requirements as well as the requirements of each state. Whether you have employees working remotely, in the office, or on hybrid schedules, automation can help you more consistently and properly manage your offboarding process with less effort, while also helping mitigate your risk.

For example, forms may be different depending on the employee's job role or if the separation is involuntary. If your HR team is currently manually selecting the forms for each employee, an offboarding forms solution can help alleviate that manual burden and reduce the chance for errors. And to protect you, an audit trail is established to document that the notices were presented to the employee and acknowledged. Take the first step by making sure your current process is written down so you can find gaps and opportunities.
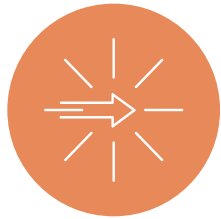
Strategy

Strategic Considerations During the Employee Lifecycle Leading up to Offboarding

Zero turnover is not practical, and some is even healthy. However, losing good employees unnecessarily can disrupt your business and the morale of those employees who remain. Here are some areas where you can focus your efforts to help improve your relationship with employees before turnover happens.

Manage your reputation (i.e., Employer Brand)

Employees expect to be able to more freely express themselves through social media inside and outside of the office. While clear guidelines on acceptable social media behavior are necessary, leading companies also leverage social media to spread the word about positive aspects of the workplace. Be sure to highlight employee events, benefits, and development opportunities on your networks. And monitor and respond in a timely manner to posts on social media and jobs sites such as Glassdoor, where former employees leave reviews.

If you unfortunately find yourself in the situation where you have to conduct layoffs, here are a few ways to help maintain and protect your reputation:

- Provide clear communication to both those you are laying off and to the employees you are retaining.
- Be prepared to answer questions and offer support to terminated employees. These questions may include topics such as severance packages, healthcare, psychological support, and any other certainties that can be provided to the individual receiving the news.

In a LinkedIn post by Jenny George, CEO at Converge International, she commented that "Companies that treat employees, ex-employees and stood-down workers with compassion, clarity and transparency when times are tough are setting themselves up as employers of choice and will reap the rewards."

The bottom line: for a growing generation of workers, how an employer treats employees at exit matters. In a workforce now dominated by Millennials empowered by social media, the implications are stronger than ever, both for the culture of those left behind in a layoff as well as those sizing up an employer's brand when considering a new job.

Focus on improving retention

Employees tend to stick around longer when they **feel valued and supported**. Some best practices to help demonstrate your commitment to them include:

- Provide resources for improving health and wellness with offerings that help support the whole person, not just the employee. Examples could include benefits such as early paycheck funds, tips paid out the same day, elderly parent care, fitness programs, and even pet insurance.

- Respond to employment and income verification requests quickly for employees that are seeking credit, loans, or government benefits. Automating this process with a service such as **The Work Number®** can help employees get quicker decisions during these big life moments.

- Assist employees with financial stress during this time when their finances may be affected. Identity theft solutions such as **ID Watchdog®** can help provide protection and more peace of mind for employees and their families.

- Create growth opportunities for your top talent. Show them you are putting your trust in them by helping them further their career development through internal training opportunities, certificates, or work with vendors that provide educational services for your employees.

- Consistently review your current talent pool and look at pay and salary to help ensure you are in line with the current market. Higher wages may not seem like a benefit to a business, but they can help a company toward higher productivity. By increasing worker productivity, businesses can pay more per employee and still come out even or ahead overall.

"The No. 1 thing that employers focus on is compensation when it comes to retention. It's not the only thing. But it's the biggest thing. And if you have the opportunity, if you're capable of raising wages, you're going to do better in terms of retaining your employees than organizations that don't." **Tony Guadagni, Senior Principal, Gartner HR practice** as quoted to HRExecutive.com.

Don't discount the employee experience

Former employees can either be your best cheerleader - or your worst detractor. According to **PeoplePath's 2021 Corporate Alumni Benchmarking Report**, approximately one-half of corporate alumni maintain relationships with previous employers as clients, partners, or vendors, with 15% of new hires coming from alumni rehires and referrals. How they are treated will likely have implications for your reputation and possibly even your bottom line.

Having a smooth, digital, consumer-like experience during offboarding can be as important as getting all the required forms completed. While a clunky process can leave a bad taste in the employee's mouth, incorporating this paperwork in a more user-friendly distribution process can result in future benefits. These employees still have value to your organization even as they exit.

There are some employees that you are sorry to see go, and would happily welcome back as a **boomerang employee** at some point in the future. With boomerang employees becoming even more common since the pandemic, make sure valuable team members have a positive exit experience so they may want to return in the future. Perhaps they only left because of a family situation or because they wanted to gain new skills. Either way, welcoming them back may be a good thing:

- The cost to rehire and retrain can be much lower than with brand new employees.
- They can often ramp up more quickly and start contributing sooner.
- They likely already have friends or mentors in the organization who could help increase their level of engagement.

A possible alternative to layoffs

While layoffs have decreased since the pandemic and have remained **fairly steady** since, there are still instances where your organization may be faced with a reduction in force. Layoffs have financial implications, especially in unemployment compensation costs.

If you are looking to reduce your staff on a more temporary basis and don't want to permanently lay off some of your workers, short-time compensation programs, aka Work Share or Shared-Work, are an alternative. Under these plans, impacted workers in a predetermined group are able to remain employed at a reduced schedule and collect partial unemployment benefits. Not all states provide for this possibility, and those that do require the plan be presented to the state Unemployment Insurance (UI) agency and be approved prior to the employer reducing the hours.

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Work with subject matter experts

You can help make your brand an employer of choice with a more positive offboarding experience for employees. For more information about how you can help automate your offboarding process using technology, check out our **Offboarding Forms Solution** or **contact us** for more information.

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