

INNER CIRCLE STAFF DISMISSAL SYSTEM



YOUR INNER CIRCLE STAFF DISMISSAL SYSTEM

Staff turnover is an unpleasant but necessary part of running any business, and we know that a studio owner's patience, knowledge, skills and time are tested when a team member's employment comes to an end.

Considerations include: confirming how and when the employment will end, ensuring there is sufficient evidence in place in case of a dispute, dealing with less labour on hand and looking to the future to determine what is needed.

Given that you, the studio owner, are also trying to handle the day to day requirements of running the business, it is easy to see how things can be missed.

In this system you'll find:

Dismissal checklist

- **Written warning template**
- **Dismissal letter template**
- **Positive and negative recommendation letter templates**
- **Employee exit survey**

Disclaimer: The information contained in this document is general in nature and does not take into account your specific situation. You should consider whether the information is appropriate to your needs, and where appropriate, seek professional advice from a lawyer or qualified Human Resources representative.



APPROACHING TERMINATION

As a leader, it's often wise to come from the frame of reference to assume a system/ process/training issue first that may be the root of the problem where the first 2 warnings are designed to figure out what can be changed from a management perspective to better support your team. You should make every attempt to address the issues. An employer operating at best practice may follow the steps below before terminating the employment of an employee.

1. Highlight expected performance and behaviour standards

Make sure the employee clearly understands their role, the expected level of performance and the expected conduct at work. They must have had regular feedback and be informed of any changes needed to his or her work or conduct.

2. Identify and Address the issue

Avoid making assumptions about any performance or conduct issues to avoid making assumptions. Identify exactly what the employee did or does that is unacceptable and what impact this has on the business. Explain your intention in relation to continuing their employment and importantly set clear plans for the employee to follow in order for him or her to improve. This might include providing training.

In regards to formal meetings: Having a witness or support person in attendance (for both you and the employee) and co-signing any written warnings is always best practice and strongly recommended.

3. Provide Written Warnings

Consider providing the employee with a written warning (or warnings) about the unsatisfactory conduct and/or performance. Providing the employee with a warning letter is useful because it sets out clearly what the issue is and guides the employee about what to do to improve. It also establishes the consequences should things not improve and becomes a formal record of the counselling you have done with the employee.

In regards to written documentation: It is important that the employee reads and understands the letter. Depending on the circumstances, you could ask the employee to sign a copy of the letter and return it to you, or you could follow up with the employee to make sure they received it and keep a note that you did this.

4. Create your termination letter

If the issues in question are not or can not be resolved after the employee has had a reasonable opportunity to rectify the situation, you may decide to end the employment relationship. If you decide to terminate the employee's employment, you need to give the employee written notice of his or her termination.

The letter of termination should:

- outline the reasons for the termination of the employee's employment
- specify the notice period or if the employee will be paid in lieu of that notice
- advise the employee of the last day of work, and
- that some termination payments may result in waiting periods for Centrelink payments.

However there are circumstances in which you may opt for immediate dismissal – for example, harm to a student or team member, theft, gross misconduct, working under the influence of drugs or alcohol.

It's important to outline your 3-strikes and immediate dismissal guidelines in your employee contracts and code of conduct.



DISMISSAL CHECKLIST

CONFIRMATION IN WRITING

The studio owner or manager instigating the termination should notify the team member in writing, stating the reasons for the termination. Studio owners should seek advice prior to providing such notification and write to the employee if the employee doesn't provide written notification of resignation.

NOTICE AND REDUNDANCY OBLIGATIONS

Check the termination of employment provisions in your region, as well as the employee's award or agreement, and contract. Ensure both you and your team member comply with these provisions.

Payment in lieu of notice – If you are concerned about the employee remaining in the studio during their notice period, check if you can enforce payment in lieu of notice rules in accordance with the employee's contract of employment.

OUTSTANDING ENTITLEMENTS

Calculate any payout entitlements such as wages, unused annual or long service leave as at the date the termination of employment will take effect.

EXIT INTERVIEW AND HAND OVER

Conducted prior to the employee leaving. The primary aim is to clarify the reasons for the departure, so the issues can be reviewed and acted upon to improve the business and retention of staff. They are also provided an opportunity to transfer knowledge and experience from the departing employee to others who will be taking over moving forward.

CLARIFY ANY AGREED RESTRAINTS WITH THE EMPLOYEE

Restraints are commonly included in contracts with staff members who may seek to teach or open their own studio within a close proximity to you. Whilst a restraint cannot restrict the exiting employee from earning a living, they can restrict employees from using the goodwill and knowledge gained through their employment to establish a competing business or poach/interfere with relationships with current staff and clients.

RETURN OF PROPERTY

Arrange the return of any studio property e.g. keys, ipad, mobile telephone, laptop, business cards, and security passes. Change any passwords and other security measures to prevent ex-workers from accessing the premises or secure networks. A list of any property issued to the employee is useful in ensuring that everything is returned when a staff member leaves.

STATEMENTS AND REFERENCES

There is no requirement to provide either, but it is wise to only provide a statement of service unless the employer wishes to honestly vouch for the employee's capabilities and performance. Be aware that disputes can arise about whether the details provided either in writing or verbally are accurate and/or defamatory about the employee.

SEPARATION CERTIFICATE

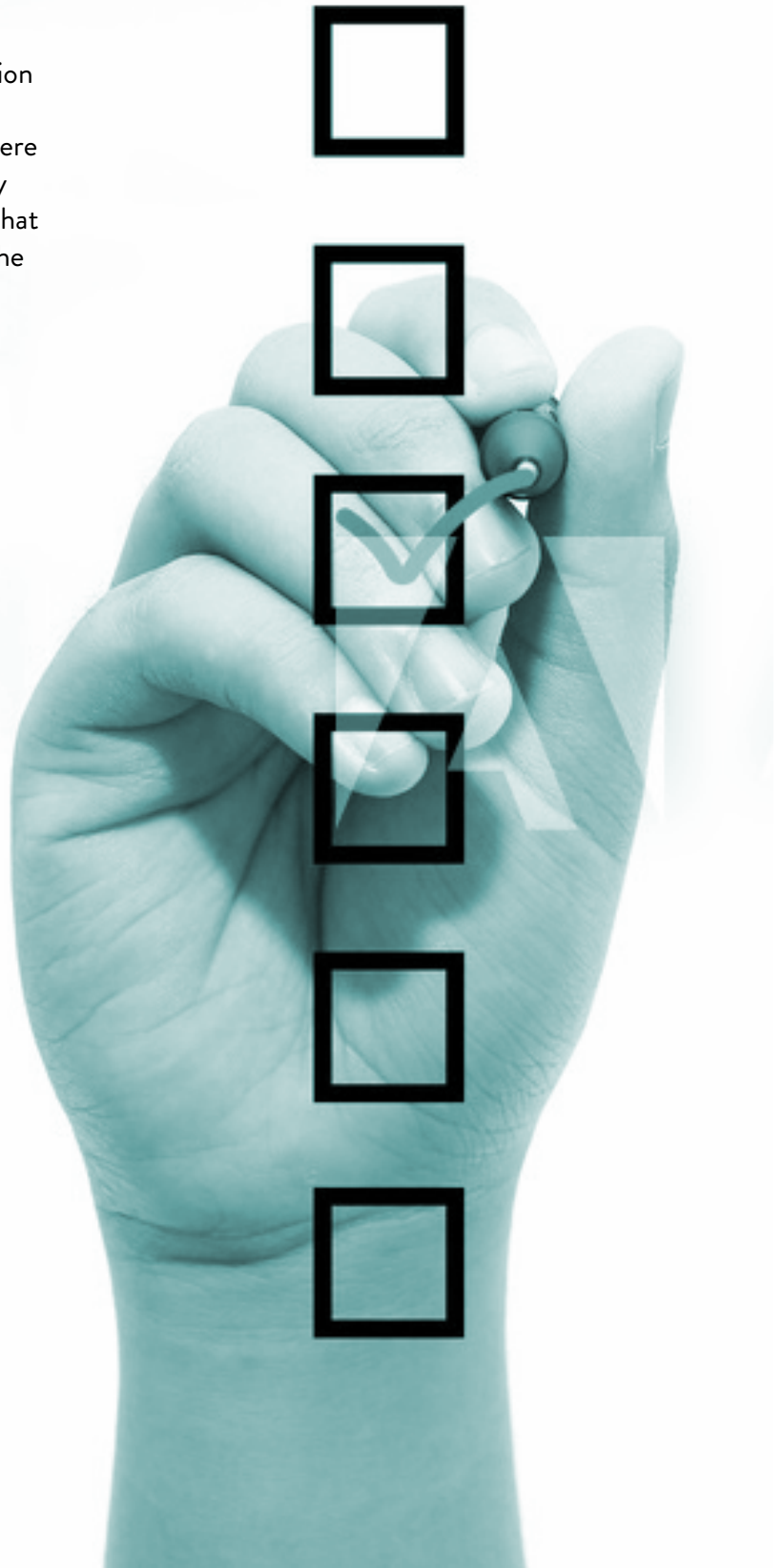
Provide an Employment Separation Certificate (Australian studios) if the employee requests one. This is a requirement at their request, but seek advice prior to documenting any contentious or damaging reason/details on this document.

EMPLOYMENT RECORDS

Update the employee's employment records. Also provide the final payslip and issue a payment summary/group certificate at the appropriate times following termination.

Notify other parties affected by the termination – E.g. the employee's superannuation fund, workers compensation and other insurers (where relevant), other employees and managers, pay office, key customers etc. Only advise them that the employee is leaving/has left the job, not the reasons for it.

- ☐ **Confirmation in writing**
- ☐ **Notice & redundancy obligations**
- ☐ **Payment in lieu of notice**
- ☐ **Outstanding entitlements**
- ☐ **Clarify agreed restraints**
- ☐ **Return of property**
- ☐ **Statements & references**
- ☐ **Separation certificate (Aus)**
- ☐ **Employment records**
- ☐ **Notify significant party**



WRITTEN WARNING TEMPLATE

STRICTLY PRIVATE & CONFIDENTIAL

[Name]

[Address]

[Date]

Dear [Name],

Re: Performance concerns – Written Warning

On [Date] we provided you with a verbal warning outlining our concerns regarding your performance which was not at the standards expected, specifically [Performance concern]

The warning detailed the performance shortfalls as well as an action plan for improvement over the [X] week period.

I have reviewed your performance over this period against the agreed [performance improvement plan/ action plan] and results were as follows;

[Insert performance results]

Unfortunately, results show that you have not achieved the improvement actions and expected standard of performance. This lack of improvement to achieve your set action items is unacceptable and unsustainable. As a result of this lack of improvement, please regard this letter as a first written warning.

Action plan

[Insert Items for Action to improve performance to expected standard – Specific, measurable, achievable, relevant, time-frame]

[Name], I expect you to take this first written warning seriously and see improvement in your performance. A review meeting will be conducted with you to review your progress on [Date]. Please let me know if this time convenient to you. If improvement is not achieved, I will need to proceed further with the disciplinary process and move to the issuing a second written warning. Your employment may be terminated if your [conduct / performance] does not improve by [Date].

During this time, you must let me know if you require any additional training or support to assist you. However, I very much hope to see an improvement in your performance. If you wish to respond to this formal warning letter please do so by contacting me on [phone number] or replying in writing.

Yours sincerely

[Name]

[Title]

PLEASE KEEP A COPY OF THIS LETTER FOR YOUR RECORDS

DISMISSAL LETTER TEMPLATE

Dear [*employee's name*],

I am writing to you about the termination of your employment with [Company Name]. This decision was reached after the completion of a full internal disciplinary process.

On <insert date> you met with <insert name of others at the meeting>. In that meeting, you were advised that <insert advice given to employee regarding improvement of performance or conduct, for example any deadlines for improvement, new targets set etc>. You were issued with a formal <warning/counselling> letter on <insert date>.

On <insert date> you had a second meeting with <insert names of other people at the meeting> and you were advised that your <performance/conduct> had not improved to the level required. You were issued with a second <warning/counselling> letter on <insert date>.

You also attended a meeting with <insert name of others at the meeting> on <insert date>. In that meeting you were issued with a final <warning/counselling> letter. This letter indicated that your employment may be terminated if your <performance/conduct> did not improve by <insert date>.

<I/We> consider that your <performance/conduct> is still unsatisfactory and have decided to terminate your employment for the following reasons:

<Insert reasons relating to performance or conduct>

Upon termination, all benefits associated with this position will cease to be valid. You are requested to return [state all property that must be returned: company car, computer, keys etc.] before [date] to the Human Resources department.

Please keep in mind that you are bound by our confidentiality policy. Any information that was received during the course of your work, regarding our customers, company, partners etc. must not be disclosed to any party.

Such information must also be deleted from all personal devices.

In addition, you have signed a [example: non-solicitation clause] as part of your employment contract. This binds you until the date specified.

You are entitled to your salary up until the [date]. Severance pay will amount to and will be paid on [date]. You are also entitled to [state any other compensation or details of payments or benefits].

This decision is non-reversible. We advise you to refer to our disciplinary action policy. If you have questions or would like any clarification, the Human Resources department remains at your disposal for up to [three] working days after your last day of employment.

Yours sincerely,

[Name]

[Title]

PLEASE KEEP A COPY OF THIS LETTER FOR YOUR RECORDS

SAMPLE NEGATIVE RECOMMENDATION LETTER

To Whom It May Concern:

[Name] reported to me for [Insert duration] while working as a [Insert role] at [Insert studio name].

He/She did a capable job in some areas.

However, in other facets of the position, especially in [Insert areas of concern], retraining and supervision were required.

[Name's] services are no longer needed by our company, though we wish her well in all her future endeavors.

If I can provide you with any further information, please feel free to contact me at [Phone number]

Sincerely,

[Name]

[Position]

SAMPLE POSITIVE RECOMMENDATION LETTER

To Whom it May Concern:

I would like to recommend [Name] as a candidate for a position with your organization. In his/her position as [Role], [Name] was employed in our office from [date] to [date]. Throughout his/her time with our organization, he/she demonstrated critical skills that would make him/her an excellent employee at your company.

[Name] did a terrific job in her position and was an asset to our organization during his/her tenure with the office. He/She has excellent [insert skill], is extremely [insert quality], can work [independently / as a team member / both], and is able to effectively prioritize to ensure that all projects are completed in a timely manner.

Because of his/her effectiveness, I gave her additional responsibilities, including [Insert responsibilities]. [Name] went above and beyond in that assignment, as he/she does in all tasks.

[Name] was always willing to [Insert responsibility] and had an excellent [insert personal quality]. This would be particularly valuable for your company, as you state you are looking for a candidate who can effectively [insert responsibility outlined by prospective employer].

He/She would be an asset to any employer, and I wholeheartedly recommend him/her for any endeavor he/she chooses to pursue. Please let me know if you have any further questions.

Sincerely,

[Name]

[Role]

[Contact]

EMPLOYEE EXIT SURVEY (OPTIONAL)

Please take 2 minutes to complete this short survey to tell us about your experience with the company and your reasons for leaving. Thank you for your honest feedback.

1. Please select which of the following best describes the reason you are leaving.

- ☐ Salary and employee benefits
☐ Career development
☐ Relationship with manager
☐ Relationship with colleagues
☐ Career break or change
☐ Personal
☐ Other (please specify) _____

2. Did you discuss the above reasons with your manager?

☐ Yes ☐ No

☐ Other (please specify) _____

3. What attracted you to your new employer, if applicable?

- ☐ Role
☐ Salary package
☐ Career advancement
☐ Employee benefits
☐ Location
☐ Flexibility
☐ Other (please specify) _____

4. Please rate your experience of the following

	Poor	Good/Average	Excellent
Role and responsibilities	☐	☐	☐
Remuneration and benefits	☐	☐	☐
Management	☐	☐	☐
Team	☐	☐	☐
Training and development	☐	☐	☐
Equipment and facilities	☐	☐	☐

5. How likely is it that you would recommend this company to a friend or colleague?

Not at all likely

Extremely likely

1	2	3	4	5	6	7	8	9	10
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6. Please provide additional comments or suggestions you wish to make.
