

A smiling man in a dark suit, white shirt, and blue tie is holding a large stack of papers. The image is overlaid with a semi-transparent blue filter. The text is white and positioned on the left side of the image.

# Saying Goodbye Gracefully

Employee Offboarding Best Practices

Parklet



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# Offboarding at a glance

Think there's no point in investing time or resources into employees who are leaving your company? Think again! Here's why your company can't afford to ignore offboarding.

\$15.4M

the amount the Wisconsin school system overpaid in insurance premiums in 2011-12. More than half that amount was paid for people no longer employed by the organization.<sup>1</sup>

71%

the likelihood of increasing employee retention when your company has a formalized offboarding process<sup>2</sup>

29%

the number of organizations that have a formal offboarding program in place<sup>2</sup>

53%

the number of employers who are unaware of former employees' continued access to company information systems<sup>3</sup>

And don't forget that each type of offboarding—resignation, layoff, firing, retiring, the end of a seasonal or temporary work contract—comes with its own set of policies and procedures.

We know that it takes a lot of time and effort to set up an offboarding program—especially if you're already working with limited resources. That's why Parklet has created this guide. Read on for tips, tricks, and advice from industry pros.

Saying goodbye to employees is never going to be easy, but our goal is to remove some of the stress and mystery from the offboarding process.

And if you'd like some help streamlining and automating some of these tasks, **let us know!** We'd be happy to share how Parklet can help.

<sup>1</sup>[www.searchfinancialapplications.techtarget.com/feature/Offboarding-automation-reduces-risk-manual-labor](http://www.searchfinancialapplications.techtarget.com/feature/Offboarding-automation-reduces-risk-manual-labor)

<sup>2</sup>[www.aberdeens.com/research/8494/ai-offboarding-talent-management/content.aspx](http://www.aberdeens.com/research/8494/ai-offboarding-talent-management/content.aspx)

<sup>3</sup>[www.amednews.com/article/20100419/business/304199962/5/](http://www.amednews.com/article/20100419/business/304199962/5/)



# 4 reasons to invest in offboarding

Catered breakfast. Balloons. Scavenger hunts. When it comes to welcoming new hires, we've heard about all sorts of novel and fun ways to celebrate their arrival. It's well documented that **first impressions matter** and the effort you make for your new hires can directly tie in with their satisfaction and longevity at your company.

But what happens on that fateful day when an employee hands in their notice? Or when you're responsible for managing an involuntary departure like a layoff or a firing?

It turns out that offboarding is an oft-neglected part of the employee lifecycle. Research conducted by **Bersin by Deloitte** found that "retention and engagement" were the top concerns of many business leaders. And yet, according to **Aberdeen Group**, only 29% of organizations have a formal offboarding process in place.

This can cause sticky situations for a number of reasons—if your offboarding process is inconsistent, you are at greater risk for failing to comply with various laws and regulations, you can potentially destroy feelings of goodwill among former employees, and you can easily overlook administrative issues like knowledge/responsibility transfer, asset collection, and properly closing out all accounts.

But creating an offboarding program is not just about avoiding negative consequences—there are actually a number of benefits to setting up a cohesive and comprehensive system for ushering employees out of your organization.

Let's take a look at four huge advantages you can gain from a standardized offboarding program.

## 1

### *Former employees can be excellent brand ambassadors*

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Think about it: No one knows your organization as well as the people who have worked within it. While they may not be contributing to your bottom line on a daily basis anymore, former employees have the power to continue to share your story with various stakeholders.

Here's one simple way to frame your relationship with former employees: Treat them with the same respect and attention you devote to customers.

If you begin to think of exiting employees as customers, it will be a lot easier to provide a positive experience. Here's a small assignment for you: Spend some time thinking about what else you can do to encourage former employees to take on the role of brand ambassadors.



## 2

### *Your alumni network can be a highly effective source of job referrals*

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It's no secret that applicants who come from job referral programs tend to be more successful than those who don't have any prior connection to the company. In fact, according to the **Direct Employers Association Recruiting Trends Survey**, 88% of employers rated employee referrals above all other sources for generating quality new hires. It makes sense—existing employees understand the company culture and can clearly communicate this to their friends and contacts.

None of this changes when an employee leaves your company. They still have that valuable insider knowledge, and if their perception of the company is still largely positive, they'll be much more inclined to encourage others to join you.

There have been a number of studies on the **power of weak ties** both for networking in general and specifically in the job search process. If you limit referrals only to existing employees, you may soon run out of options. Opening the process up to former employees can expand the network of candidates—and your chances of finding talent.

## 3

### *Boomerang employees can return with purpose and passion*

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What exactly is a boomerang employee? This term refers to employees who leave and then return to your organization at some point in the future.

The average millennial (who now comprises the **largest share of the American workforce**) is expected to change jobs **6.4 times before they turn 30**. And it stands to reason that they may be open to returning to a previous employer, provided that they left on good terms.

There are a number of benefits to hiring boomerang employees: They already understand your company culture and industry, they will likely require less time to get up to speed during onboarding, and they offer a unique blend of outside perspective and insider knowledge of how to get things done in your organization.

Don't neglect the power of the boomerang employee!



# 4

## *You can uncover insight into your company's successes and failures*

No matter how positive of a work environment you've created, chances are there will always be room for improvement. You already know that employees choose to leave for a range of personal and professional reasons. But formalizing your offboarding process can allow you to gain insight into areas for improvement.

The best way to gain an understanding of feedback from departing employees is through exit surveys. These surveys help managers and HR staff understand negative trends and gather the information they need to improve the offboarding process.

It can be hard to hear negative feedback, but this is a key element of strategic offboarding programs. **Madeline Laurano** says, "An enterprise-wide approach to offboarding requires organizations to step outside of their comfort zones and accept both positive and negative feedback."

If you aren't taking the time to learn from exiting employees, you may even damage goodwill among current employees if there are serious issues that remain unresolved for an extended period of time.

### *What's next?*

If you're convinced that it's time to create a strategic offboarding program, what comes next? First, separate out the administrative tasks (requesting official resignation forms, collecting badges, settling outstanding reimbursements) from the strategic ones (creating a consistent and positive experience, establishing a method for collecting feedback, and offering employees clear guidelines about the nature of their relationship to your organization moving forward). If you don't already, make sure that all concerned parties (HR, direct managers, IT staff, and the employee who's leaving) have a clearly outlined checklist and plan of what needs to happen and when.

It won't be an overnight process, but it's one that will benefit everyone in your organization.



# Offboarding essentials: what needs to be done

When creating your offboarding program, you'll want to make sure to plan for the two basic offboarding situations: voluntary termination (when an employee chooses to leave) and involuntary termination (when the company is requiring an employee to leave). The chart below outlines the administrative essentials for both scenarios.

Activity	Voluntary Termination	Involuntary Termination
Have employee submit official resignation notice	<input type="radio"/>	
Share information on 401k plan	<input type="radio"/>	<input type="radio"/>
Offer severance package		<input type="radio"/> *
Arrange payout of remaining PTO	<input type="radio"/>	<input type="radio"/>
Communicate health insurance/benefits options	<input type="radio"/>	<input type="radio"/>
Schedule physical property handover	<input type="radio"/>	<input type="radio"/>
Arrange meeting/documentation for knowledge/responsibility transfer	<input type="radio"/>	<input type="radio"/>
Have employee sign non-compete and non-disclosure agreements	<input type="radio"/>	<input type="radio"/>
Revoke email and systems access	<input type="radio"/>	<input type="radio"/>
Request employee permission to give references on their behalf	<input type="radio"/>	
Conduct exit interview	<input type="radio"/>	
Offer job search support		<input type="radio"/>
Provide access to alumni network	<input type="radio"/>	<input type="radio"/>
Request up-to-date address	<input type="radio"/>	<input type="radio"/>
Share information about referral program	<input type="radio"/>	

*Only 19% of organizations have a system in place for offboarding in involuntary separations\**

\*Generally offered for layoffs, can also be offered when an employee is being dismissed

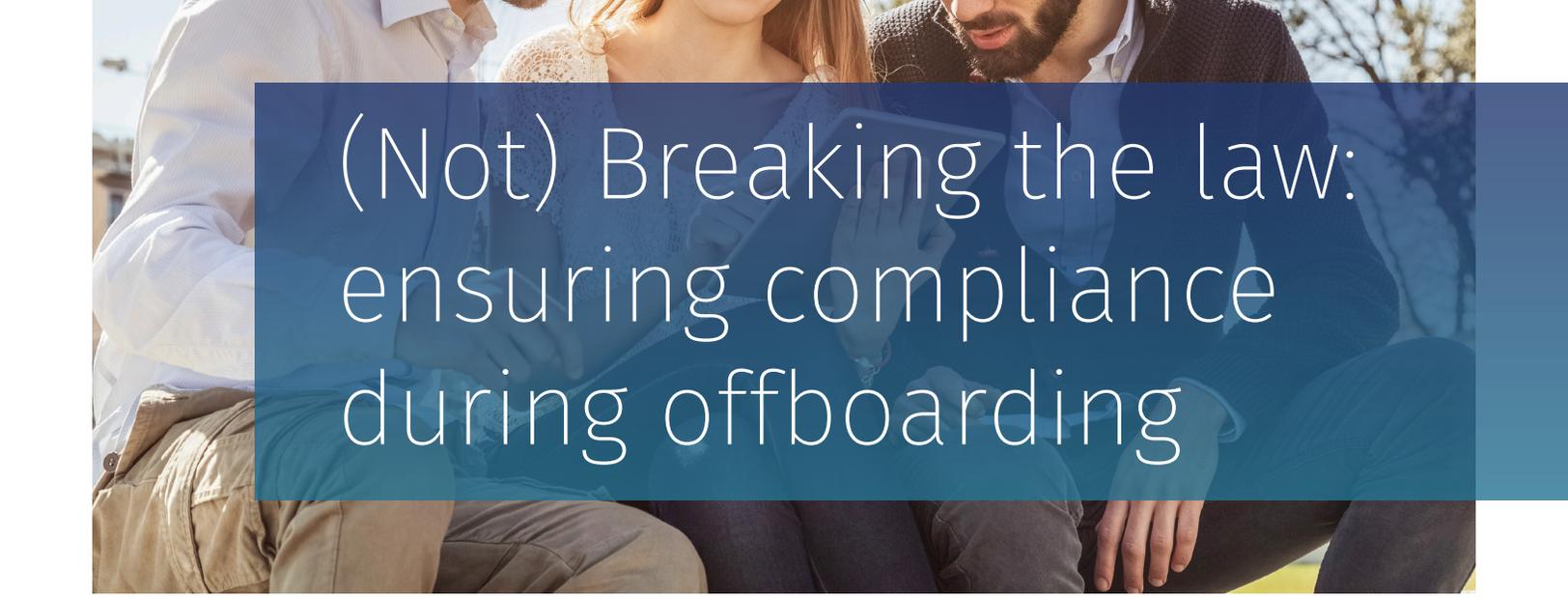
\*Source: [www.aberdeen.com/research/8494/ai-offboarding-talent-management/content.aspx](http://www.aberdeen.com/research/8494/ai-offboarding-talent-management/content.aspx)



## *Communication, communication, communication!*

Despite the similarity in onboarding and offboarding tasks (granting access vs. revoking access, opening accounts vs. closing accounts), keep in mind that the same person won't always be responsible for each set of tasks. If an employee has been promoted or changed departments since they joined you, their manager may have changed. If a manager is new or if their department hasn't seen a lot of change, they may have never offboarded an employee before. And, of course, due to the very different nature of various offboarding scenarios, sometimes you're working on a very urgent schedule to accomplish everything.

Don't wait until you experience an offboarding emergency—make sure to communicate with managers clearly and frequently about proper process. You can arrange to present at a managers' meeting or organize a quarterly session to go over offboarding basics. Whatever you do, make sure you make time to regularly communicate offboarding protocol.



# (Not) Breaking the law: ensuring compliance during offboarding

Employment laws vary by state, so the following suggestions are merely presented as guidelines. Be sure to check with your legal counsel to avoid getting into any sticky legal situations.

If an employee is leaving voluntarily, there are a few legal and tax matters to consider.

- Does your company have an NDA or non-compete policy? If so, make sure the departing employee has filled out this paperwork.
- Ensure that the employee is paid out for all outstanding expenses and PTO days.
- Inform the employee of their continued insurance and benefits options.
- Ask the employee to supply their up-to-date mailing address (and tell them who to contact if their mailing address changes) to ensure they receive their W-2.

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When an employee is leaving involuntarily, all of the previous points still apply, but there are a few additional considerations to be aware of.

- Ensure that the dismissal is in line with your company policies and previous actions (e.g. you can't dismiss one employee for an action that you only reprimanded another employee for in the past).
- Document key issues in an audit trail to protect the company against unfair dismissal claims.
- In especially sensitive cases, you may find it beneficial to have additional HR representatives present.
- If you are offering a severance package, clarify the exact terms of what you are offering.



# Ask an office manager: How do you handle offboarding when you're the sole HR resource at your company?

Your coworkers might think that your job is all about keeping the kitchen well-stocked (peanut butter pretzels!) and planning awesome team-building activities, but you know all too well that being an office manager involves a lot more than that. You have to fix things when they break. Speaking of breaking things, you have to make sure your company isn't breaking any laws when it comes to working conditions or anything else. And then there's the true test of your professionalism—handling all the tasks associated with offboarding an employee who's leaving your company.

Offboarding comes in many forms. Sometimes it's as simple as a summer intern who's returning to school in the fall. Sometimes an employee finds another opportunity somewhere else and decides to hand in their resignation. And sometimes an employee is simply underperforming and management decides to let them go.

How do you handle these various types of offboarding situations? If you're the only HR person in your office, it can be a lot to think about! We caught up with **Patty Santos, Parklet's Office Manager** to discuss employee offboarding best practices.

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## *What's your experience with offboarding?*

I've handled all sorts of offboarding, from the position being eliminated to mutual agreements and resignations to forcible firing, which is as tricky and awful as you think it'd be.

## *As an office manager, do you normally handle offboarding on your own or coordinate with others?*

In almost all cases, there has to be at least one other person I have to coordinate with, whether it's the CEO or direct supervisor or manager of the employee who's separating, in addition to the HR/OM presence. Technically, the HR/OM rep and the CEO or direct manager are all that is needed to properly offboard someone, not counting any teammates that may be needed to come in to transition work to and/or train to fill in.

For messier, more difficult terminations, depending on the situation, you also may need to include additional people. For example, in more escalated, sensitive situations, it's best practice to have both a male and female HR rep or manager/supervisor present.



### *How do you generally conduct offboarding meetings?*

In an exit interview where the employee is being asked to leave, I'll read through the exit paperwork and have the employee sign it. The paperwork may contain the reason why the employee is getting terminated, although in California we have an at-will employment system, so this is not always included. I also bring their insurance paperwork, their final paycheck, and a checklist to ensure they've returned all company equipment. After they've left, I'd ensure that all their company accounts are closed right away.

If it's a mutual agreement, where the employee is resigning, it can be more relaxed. In that case and if needed, I might even let the employee keep their laptop for another week just so they have the chance to transfer any personal files they have stored on it as well as ensure they have enough time to close out and transfer any lingering work relations. In addition to making sure the right paperwork is signed, collateral and equipment collected, I give them an opportunity to ask any questions as well as remind them of major policies they need to keep in mind once separated, such as not coming back to the office and no poaching employees.

### *Should companies prioritize having a system for voluntary vs. involuntary departures?*

Both are important, but really different. If someone is leaving because they got their dream job somewhere else, the whole process will be much more open and not as time-constrained. You can also get the employee more involved in helping the transition and knowledge transfer.

If an employee's position is being eliminated or they're being fired without notice, there's really only one day to get it all done, so it's very important to have a clear process.



## *What do you absolutely need to do when offboarding someone?*

I'd say you have to make sure that:

- departing employees get their final check on time
- departing employees have their insurance paperwork that details COBRA coverage
- you collect all materials (especially office keys and laptop)
- you close all their accounts
- you physically walk the employee out of the office

If the employee is voluntarily leaving, I think it's a really nice gesture to have their direct manager email the entire office to let them know that this person is leaving. This also gives the employee the chance to email everyone with their farewell message.

## *What is something you absolutely should not do?*

Do not tell anyone (besides the person who called for the employee's dismissal). The only people who need to know are the manager, HR, and the CEO. Privacy is really important, so be sure you entrust offboarding with someone who can be discreet.

## *Have you ever had any unexpected experiences when offboarding someone?*

I was working at a large retailer, and one of the employees got caught stealing. When that happens, the company calls the police and the employee is arrested. We had some paperwork for the employee at that stage, but I guess it wasn't super clear, because on Monday morning, the employee showed up at work again wondering when their "suspension" would be over. We had an awkward and weird moment where we had to explain that they had been fired and were no longer welcome at the company. So after that we made sure that the wording was super clear.

In another situation, we had someone who was underperforming and got upset and made a scene before HR or the manager had a chance to talk to the team. That was tough because it immediately brought morale down, caused feelings of mistrust, and led to many employees panicking and wondering if they were next "on the chopping block." It meant we needed to do a lot of damage control afterwards.



## ***How and when should an employee's departure be communicated to the rest of the company?***

When someone is resigning, I usually ask that they do not share with the whole company more than one week before their last day. I've noticed in startups, especially with the first few separations, it is likely to be a distraction if done too far in advance. Really the only people who need to know before that point are their direct manager, HR, and the people who'll be taking over their tasks or responsibilities.

When an employee is being terminated, the best practice, in my experience, is to inform the company right after. An email from the CEO is easiest and most scalable, but we've also had each department go into a breakout room so they could discuss it with their manager. This would give the manager the chance to share the company's official stance and allow employees to air their concerns. Holding meetings like this might not seem like it's necessary, but people are going to reach their own assumptions and gossip, so it really helps to provide a forum like this.

## ***What are other important elements of the offboarding process?***

Exit interviews are really important, especially when you're still in the first 50 employees. These conversations let you know why people are leaving and how they feel. It's their last chance to have it out, and often they have nothing to lose since they've already resigned, so it's super effective and honest feedback.

## ***What sorts of questions do you ask during the exit interview?***

It depends on the company and department. First I'll meet with directors to see what they need. What type of information would be most helpful to them?

Towards the end of the conversation, I'll open it up and make it less formal. Let's just talk about your experience here—what worked? What didn't? Did we somehow not give you the opportunity you were looking for?

# Leaving the door open: Creating lasting relationships

An employee's last day doesn't have to be their last interaction with you. Your organization's alumni may grow to be your future clients, applicant referrers, and even boomerang employees. But this will only work if you take the time to engage with this group.

Here are a few suggestions for engaging with former employees.



## **Organize an online alumni group**

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There are a number of ways to put together an alumni group. You'll want to consider what your main objectives are, and why alumni would want to engage with you in this way. One simple approach is to put someone in your organization in charge of inviting people to and moderating a LinkedIn Group. The moderator can post job openings and other company news and alumni can use it as a forum to network with each other.

If you have a larger organization, it may be worth creating or purchasing a custom portal where content can be divided into different categories (e.g. job postings, referrals, alumni news).

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*LinkedIn currently hosts 118,000 corporate alumni groups, including 98% of the Fortune 500\*.*

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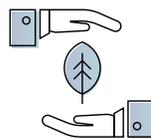
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## **Host in-person alumni events**

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To really show your appreciation for alumni (and prove that they are, in fact, still part of the extended family), host occasional events that allow alumni to network with current employees and fellow alumni. If you have current openings, ensure that there are a few recruiters or hiring managers available to field questions.



## **Include alumni in Corporate Social Responsibility initiatives**

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Does your company participate in Race for the Cure, Habitat for Humanity, neighborhood cleanups, or any other type of Corporate Social Responsibility initiative? Inviting your alumni to participate can increase your numbers and output while reinforcing your continued relationship with former employees and their sense of belonging to your community. In other words, everyone wins!



# Exit interview etiquette

Departing employees can be an excellent source of information about what's going on within your company. They'll often feel like they've got nothing to lose at this stage, so they can be a little more open about their complaints and frustrations. Here are a few tips on setting up and getting the most out of your exit interviews.

- Make exit interviews one of the standard tasks in your offboarding workflow, and decide which person or people will be responsible for scheduling, conducting, and communicating feedback from exit interviews. It's generally a good idea to have HR staff handle these duties rather than the employee's direct manager.
- Give employees ample warning about your intention to conduct an exit interview. Let them know at least a few days in advance to allow them time to collect their thoughts and reflect on their time at your company.
- Be considerate about timing when scheduling the exit interview. If team leaders generally take the group out for lunch on a team member's last day, for example, don't schedule the exit interview right in the middle of lunch.
- Stick to a standardized list of questions. This is especially important if you're attempting to collect quantitative data to share with upper management.
- Have a plan for how you will collect feedback and decide which information needs to be passed along to others.

## ***What to ask in an exit interview***

- What led you to look for/accept another job?
- How would you describe the culture at our company?
- What were your favorite things about working here? Your least favorite things?
- How was communication with your team? Your manager? Within the company?
- Did you have the tools and support you needed to succeed in this role?
- Would you recommend this company to a friend as a good place to work?

# Case Study: Offboarding at URX

**Kristen Look, Office Manager at URX**, has a lot on her plate. She handles administrative, facilities, and event management duties.

When she first started, Kristen didn't have a clear plan of action for offboarding: "I used a Google docs checklist for onboarding to try to offboard people, but there wasn't a ton of notice and I wasn't sure who was doing what, so there was a little confusion over 'Did you close this out? Or am I supposed to close this out?'"

Kristen was able to use Parklet's templates to create workflows and task lists for offboarding. This created an immediate improvement: "Having everything assigned in Parklet is really helpful so we know that it's definitely being taken care of and I can see whether someone has done it or not and make sure that it's being done correctly."

What are the main benefits of using Parklet for offboarding? "Having the checklists, knowing who's doing what, and knowing exactly where people are in the process so I don't have to ask people questions all the time," says Kristen.

5

Average number of people involved in offboarding at URX

39

Average number of tasks assigned for an offboarded employee at URX

"Before Parklet, I'd remember to close out all their accounts, but I'd forget to remove them from the mailing list, so then we'd get bounce back or other problems like that. Parklet was really that reminder for me to go through and make sure everything's cleaned out and everything's updated."

-Kristen Look  
URX

To learn more about how Parklet can help streamline and automate your offboarding process, contact our **sales team**.

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*Parklet helps companies grow, engage, and retain their talent.*

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*To learn more about our Employee Onboarding and Engagement solutions, contact our **sales team**.*



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