Spring FORWARD legal updates

Terminations Without Tears



February 19, 2020

www.springlaw.ca

Presented by: Lisa Stam & Deidre Khayamian



Presentation Roadmap

- 1) Who?
- 2) Why?
- 3) Where?
- 4) What?
- 5) When?
- 6) How?
- 7) Takeaways

1) Who?

 This webinar is for small and medium business owners and startups who want to get better at exiting employees in a cost-effective, fair way and without all the drama



Photo by <u>Adam Wilson</u> on <u>Unsplash</u>

2) Why? Practical Logistics

- Today's workplaces have regular turnover every 2-3 years
- Your employees are informed and experienced when negotiating terminations
- Vast majority of employment litigation is about termination provisions
- Employers need systems that facilitate regular turnover without pain and chaos

2) Why? Emotional Logistics



Photo by <u>Ariel Lustre</u> on Unsplash

 Work is people's identity, so expect emotion:

Work is one of the most fundamental aspects in a person's life, providing the individual with a means of financial support and, as importantly, a contributory role in society. A person's employment is an essential component of his or her sense of identity, self-worth and emotional well-being [(1987) 1 SCR 313]

 Not just X weeks per year of service employees want to be paid for their value so there is a strategy in getting it right

3) Where?

- There is always a contract (no at-will)
- So look to the contract for mutual exit expectations
- If only able to do one thing invest in a good contract termination provision

4) What?

Termination Peas & Carrots:

- Is the termination "Just Cause"? Probably not!
- So how much termination notice?!
 - ESA vs contract vs common law/court award
- So how many weeks of what?

4) What?

Termination Peas & Carrots *Strategy*:

- Give just ESA?
- Importance of a signed release
- What is "consideration"?

5) When?

- The "when" of terminating someone can have a big strategic impact
 - See our intro video on this: https://www.youtube.com/watch?v=C8Bq-9PsQzM
- Risky personal moments (birthday, holiday, etc.)
- Risky human rights moments (after a sick leave)
- Risky money moments (just before a bonus, vesting cliff, etc.)

6) How?

Our Current Adversarial System:

- Our system assumes conflict and polarizing positions
- BUT, employers who offer reasonable (but not crazy!) termination packages that meet mutual expectations tend to avoid litigation
- Is not about being soft and caving rather, be strategic, cost-effective, progressive and fair

6) How?

The Future System:

- Artificial Intelligence (AI) tools predict what a court would award in a similar case
- So what are we fighting about anymore?!
- We know the ceiling this is math
- Even without a contract in place, it is about rolling out mutual expectations with lots of transparency



7) Takeaways

- Let's all rethink the approach to terminations
- There's no need to battle with the employee
- Terminations are just another step in the company and a person's career and often a better place for both parties
- Using tech, contracts and a bit of preparation, terminations without tears is possible

Questions?

To learn more about our team: https://springlaw.ca/team/

To connect with our team:

- Marnie Baizley mbaizley@springlaw.ca
- Danielle Murray dmurray@springlaw.ca
- Hilary Page hpage@springlaw.ca
- Lisa Stam Istam@springlaw.ca
- Deidre Tyrell dtyrell@springlaw.ca

Sign up for future **SpringForward Legal Updates**:

https://springlaw.ca/employers/springforward-legal-updates/

Sign up for our monthly Newsletter: www.springlaw.ca

Spring Law

www.springlaw.ca



