

# Should You Fire an Employee for Looking for Another Job?

Discovering that an employee is exploring new job opportunities can be unsettling for any employer. It's a scenario that has become increasingly common in today's workforce. This has especially become common after COVID, when employers terminated long-term employees with no warning or justification, and as such, loyalty is no longer the primary driver for retaining employees.



According to iHire's 2024 Talent Retention Report, over 23% of surveyed employees admitted to searching for a new job during work hours. While your initial reaction may be to terminate the employee, it's crucial to take a step back and consider the broader implications of such a decision.

Can you fire someone for job hunting?

The short answer is yes—most employers can legally terminate an employee if they discover they are actively looking for another job as their attitude, work production and moral may damage the organisation. In many workplaces, this falls under “not for cause” termination—meaning the employee

hasn't committed a serious violation like theft or misconduct; however, just because you *can* doesn't mean you *should*. There are legal risks of terminating without cause: firing an employee for job hunting can expose your organisation to legal risks, especially if the employee belongs to a protected group, such as older workers, people with disabilities, or members of certain racial or gender categories.

Termination without a clear, documented cause could result in discrimination claims, which can be costly and damaging to your reputation. Additionally, firing without cause often qualifies the employee for unemployment benefits. This can extend the period of financial responsibility your organisation and potentially impact your company's experience rating.

The ripple effect on employee morale

Beyond the legal considerations, firing an employee for job searching can negatively affect your workplace culture. Terminations of this nature often create an atmosphere of insecurity among remaining employees. When employees feel that their job security is threatened, they're more likely to disengage or even start looking for other opportunities themselves—leading to higher turnover.

Moreover, the perception of punitive actions can diminish trust and transparency within your team. Employees may hesitate to communicate openly or seek professional growth opportunities if they fear repercussions.

Alternatives to immediate termination

Instead of rushing to fire an employee for job searching, consider these alternative approaches:

1. **Initiate an honest conversation:** If you suspect an employee is job hunting, have a one-on-one discussion to understand their concerns and or questions they might have. Are they seeking a higher salary, professional development, or better work-life balance? Their feedback could provide valuable insights into how to improve retention.
2. **Address the root cause(es):** A proactive approach to retention involves addressing workplace issues that may be driving employees to look elsewhere. These could include limited growth opportunities, uncompetitive compensation, or poor work-life balance.
3. **Support their transition:** If the employee has openly communicated their intent to leave, offer support through their transition. This may include garden leave, flexible scheduling for interviews or a positive recommendation. Such actions can strengthen your reputation as an employer that prioritises people over policies.

While alternatives should always be considered, there are, nonetheless, circumstances where termination may be unavoidable. For instance, if an employee's job hunting is disrupting their performance, creating a toxic workplace environment. If they are privy to confidential information about the organization's future strategy to overcome competition or confidential client requests or their contract terms; you may need to take immediate action. Even in such cases, ensure you follow your organisation's policies and document the reasons for termination thoroughly.

The bottom line

Firing an employee for job searching is rarely a straightforward decision. While it may seem like a simple solution to a potential problem, it often carries significant legal, financial, and cultural risks. Instead, use

the situation as an opportunity to address underlying causes within your organisation and foster a culture of open communication and trust.

By taking a thoughtful, measured approach, you can turn what might seem like a setback into an opportunity for growth—both for your employees and your company.