

CASE STUDY

When 'Hesitate' is Better Than 'Terminate'

The Problem

A Globalization Partners client wanted to terminate an employee working in Mexico immediately. This client was ready to move forward with the termination the following business day. However, "at-will employment" is only a concept that pertains to work in the United States. Under Mexican law, the client did not have proper cause to terminate this employee.

In addition, this employee had 12 years of seniority with the client, which increased his potential severance entitlement to several hundred thousand dollars. Due to some of the employee's actions, the client wanted to terminate the employee with no notice and no severance.

Our Solution

Due to the risks client's actions posed — potential costly litigation, back pay, and severance — we recommended an immediate cessation of work (without firing the employee). This gave us time to investigate and develop a strategy to mitigate the client's risk or a lawsuit. Globalization Partners' best-in-class in-house legal team worked through the legal ramifications and came up with a resolution that resulted in termination and saved the client from having to litigate while substantially reducing severance.

Without our immediate intervention and simple suggestion to have the employee cease work, as opposed to following through with an official termination, what the client viewed as a simple termination would have resulted in huge unforeseen liability for the company.

Thank You

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