This Convention applies to all branches of economic activity and all employed persons. A Member may nevertheless exclude certain categories of employed persons from the scope of the Convention as a whole, or from some of its provisions. The Convention lays down procedures that must be complied with for excluding certain categories of employed persons from its application.

Termination of employment is defined as the ending of the working relationship on the employer’s initiative.

A worker may not have his employment terminated unless there is a valid reason connected with the worker’s aptitude or behaviour or based on the operational needs of the enterprise, establishment or service.

The following are not valid reasons for terminating a worker’s employment:

- trade-union membership of participation in trade-union activities outside of working hours or, with the employer’s consent, during working hours;
- the fact of seeking, exercising or having exercised a mandate to represent other workers;
- the fact of having made a complaint or taken part in proceedings against an employer on the grounds of alleged violations of legal provisions, or having had recourse to the competent administrative authorities;
- race, colour, gender, marital status, family responsibilities, pregnancy, religious belief, political opinion, national background or social origin;
- absence from work during maternity leave.

Temporary absence from work on account of sickness or accident is not a valid reason for termination.
The Convention stipulates that a procedure must be established to enable workers to appeal against the termination of their employment. It stipulates that a worker who believes he has been unfairly dismissed shall be entitled to appeal to an impartial body, such as a court, a labour tribunal, or an arbitration panel or arbiter, within a reasonable time period. This body shall be empowered to examine the reasons invoked to justify the termination, and other related circumstances, and to decide whether or not the termination was justified.

The Convention sets out the possibilities for determining the burden of proof.

A worker whose employment is terminated shall be entitled to receive reasonable notice or an indemnity in lieu, unless the worker is guilty of a serious misconduct, i.e. misconduct such that one could not reasonably require the employer to continue to employ the worker during the notice period.

A worker whose employment is terminated shall be entitled to:
- either a severance allowance or other similar benefits,
- or unemployment insurance benefits, welfare payments for the unemployed or other similar social security benefits;
- or a combination of these indemnities and benefits.

An employer who is contemplating laying off workers for economic, technological, structural or similar reasons must:
- communicate the relevant information to the representatives of the workers concerned in good time, including the reasons for the envisaged terminations, the number and categories of workers likely to be affected, and the period during which this is planned to take place;
- give the representatives of the workers concerned, in accordance with national legislation and practice and as long in advance as possible, the opportunity to be consulted on measures that might be taken to avert or minimize the terminations, and measures to mitigate the adverse effects of any termination for the workers concerned, in particular opportunities for redeployment.

An employer who is considering terminating the employment of workers for economic, technological, structural or similar reasons must notify the competent authority of these reasons as long in advance as possible, providing all the relevant information.
This Recommendation applies to all branches of economic activity and all employed persons. A Member may nevertheless exclude certain categories of employed persons from the scope of Convention No. 158 as a whole, or from some of its provisions.

The Recommendation mentions a number of additional reasons which are not valid reasons for terminating a person’s employment:

- age, subject to national legislation and practice regarding retirement;
- absence from work due to compulsory military service of other civic obligations, in accordance with national legislation and practice.

The Recommendation details the procedure to be followed before and at the time of termination of employment.

- A worker should not be dismissed for misconduct for which termination of employment would be justified only if it were repeated on more than one occasion, unless the employer has given the worker an appropriate written warning.
- A worker should not be dismissed for unsatisfactory performance, unless the employer has given the worker appropriate instructions and written warning and the worker continues to perform his duties unsatisfactorily after a reasonable period of time for improvement has elapsed.
- The employer should be deemed to have waived his right to terminate the employment of a worker for misconduct if he has failed to do so within a reasonable period of time after he has knowledge of the misconduct.
- Notification of termination should be given in writing.

Provision may be made for recourse to a procedure of conciliation before or during appeal proceedings against termination of employment.

Efforts should be made by public authorities, workers’ representatives and workers’ organizations to ensure that workers are fully informed of the possibilities of appeal available to them.

A worker whose employment has been terminated should be entitled to receive a certificate of employment.

The Recommendation provides for a severance allowance, on identical terms to those set out in Convention No. 158.

The Recommendation stipulates that all parties concerned should seek to avert or minimize terminations of employment for reasons of an
economic, technological, structural or similar nature, and to mitigate the adverse effects of any termination of employment for these reasons on the worker or workers concerned.

- Workers’ representatives should be consulted when the employer contemplates the introduction of major changes that are likely to entail terminations.

- The Recommendation advocates measures which should be considered with a view to averting or minimizing terminations of employment for reasons of an economic, technological, structural or similar nature, which might include restrictions on hiring, spreading the workforce reduction over a certain period of time, or a reduction of normal working hours.

- The Recommendation establishes that the selection of workers whose employment is to be terminated for reasons of an economic, technological, structural or similar nature should be made according to criteria, established wherever possible in advance, which give due weight both to the interests of the enterprise and to the interests of the workers.

- The Recommendation stipulates that workers whose employment has been terminated for economic reasons should be given priority when it comes to rehiring.

- Measures for mitigating the effects of termination are provided for, in particular the placement of the workers affected in suitable alternative employment, or encouragement to undertake a period of training or retraining, with the collaboration of the employer and the workers’ representatives concerned. Income protection during the period of training or retraining and reimbursement of related expenses should be provided for.