



## **Autumn Traditions: Leaves changing, pumpkin patches and restructures!**

Yes, all of the above are quite normal at this time of the year. With regard to the last, less enjoyable activity, as we near the final quarter of the year (and for many the last fiscal of the business year) the numbers start getting crunched (like dry leaves in the Fall... good one eh?).



The reality at this time of year, following budget reviews, is that in many instances and many industries there may be a need to trim costs, specifically labour/employment related costs, in advance of the next fiscal year commencing. This is a reality of the business world. It, of course, has an impact on your employees and on you as an employer and/or human resources professional. These are hard decisions to make and you need to consider all of the risks that come with a reduction in force (RIF) or downsizing.

Below is a list of some considerations if your budgetary process requires cost-cutting this upcoming quarter.

- Ensure your process is fair. The reduction should be based on roles that must be eliminated, not the characteristics of a specific group of employees. You must be mindful of any human rights trends or red flags in the target group (for example, are they all over a certain age, part of one cultural group, on a leave, or do they fit within another human rights protected category). If you sense a red flag, seek advice and have the cohort reviewed in advance.

- Check your employment agreements! Do you have valid and enforceable termination clauses? In any event, seek counsel on this point, there could be a much larger financial risk than you have anticipated. Additionally, if you are considering a temporary lay-off instead of termination, does your employment agreement permit a temporary lay-off (if not, this could be a constructive dismissal)?
- Is your restructure or RIF large enough to engage the mass/group termination provisions of the applicable employment standards legislation. If so, you may have enhanced/increased requirements with regard to notice. The totals needed to trigger a mass/group termination vary by province, some are triggered after 10 impacted employees, others after 25, and some after 50 employees. Seek advice based on your jurisdiction if your numbers are in these ranges.
- Do you have a communication plan in place? If the employees who are not impacted see their colleagues leaving they may panic. This could result in a surge in 'medical leaves', it could result in resignations as they seek new secure employment, and it can impact morale. Best to consider how you will wrap your arms around those remaining employees once the restructure is complete, assure them it is over, and explain the necessity of what happened for the health of the company. A good communication plan is key.
- Treat departing employees with respect and dignity – they did nothing wrong. If you can, arrange for a career transition firm to provide services to the employees, this is usually a manageable cost and it can be of great value to employees.
- Last, but never least, be mindful of your own mental health and wellness throughout this process, it can be very stressful. Seek help if you need it.

If you would like to discuss any of the above with regard to your business in greater detail, we recommend reaching out to speak to an e2r™ Advisor. We are here to help.