

Top 10 ways to avoid redundancy

- 1 Reduce or discontinue use of sub-contractors or agency staff.
- 2 Freeze recruitment to take advantage of natural wastage.
- 3 Freeze pay or reduce pay.
- 4 Relocate staff to other parts of the business, other offices (UK/overseas) or companies within the same group. Alternatively, second employees to clients.
- 5 Freeze or reduce training budgets.
- 6 Review bonuses, and cancel or reduce if possible.
- 7 Offer early retirement packages.
- 8 Reduce the working week and/or invite employees to job-share.
- 9 Encourage sabbaticals (either unpaid or at a significantly reduced salary).
- 10 Take ideas from your workforce.

However...

Employees will be unhappy with any proposal that gives them no perceived benefit. Consult with them at an early stage and seek their input. You may find many volunteer for certain options, such as sabbaticals or a reduced working week.

Employers should ensure that any variation of terms is done on a temporary basis and allows the employer enough flexibility to choose who can take advantage of which new working practices. For example, allowing a key employee to take an unpaid sabbatical could be more detrimental than any benefit gained from saving costs. Employers will want to ensure that they can re-instate the normal working terms quickly, cheaply and easily. Remember that any changes to employment contracts (for example, contractual hours) will probably require consent from the employee.

Unpaid sabbaticals may not prove popular for all but some employees will see them as an opportunity to take time out to do something different, such as travel or voluntary work. Unpaid sabbaticals are a cost-effective way of reducing staff costs whilst retaining skilled staff for the future.

Review any procedures that are implemented to make sure that they are working and they are having the desired effect. Try to stay ahead of the changing economy.

Employees may not be happy with a freeze or reduction in training opportunities. Be more creative and, as an alternative, encourage in-house training and seek out free or cheaper training sessions.

In service industries, companies need to ensure that clients still receive the service they expect. Don't risk losing clients in the current climate.

Remember, mistakes are costly. Seek legal advice before implementing any of the above.

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