

Separation during business crisis – a case study

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There are as many instances in the Industry, where employees were separated, during this Business crisis.

Following are few types of separation being adopted by the Employers:

1. Sending an Immediate Termination notice
2. Discuss with the employees and
 - a. Asking them to resign,
 - b. Failing which, the Employers terminates with or without complying with notice provisions
3. Sending a separation notice, complying with the provisions in the Offer / Appointment letter
4. Laying-off and post the statutory period, termination automatic

I happen to support an Employer in a separation discussion with an Employee, whose role becomes “Redundant” due to business crisis. Employer wanted to Retrench the position/role, with due compensation as prescribed in the legislation.

Employee was uncontrollable when the discussion started – defiant initially, crying later and did not accept. He then asked the list of those who are also going to be separated, to which we said is “Official and Confidential” which cannot be disclosed.

He then asked the following questions (exercised his Rights, fully). The answers by us – **I had to involve substantiating the claims of the Employer** – are also stated after each question:

1) What is the norm practised by the Employer in separating?

- » *(Answer: With the business operation has come to a stand-still, cash-flow stopped, and reserves are depleting, Superfluous roles are identified considering the fact that, the business commences*

in near future.) I do not want to go into details how the role become “superfluous”, as it will visibly disclose the identity of the Employer/Industry.

2) Was it choosy or any method followed?

» (Answer: *Not choosy and it is based on the current situation and impact of the business roles on revival post lockdown relaxation.*)

3) How they determined that his post is REDUNDANT? He further elaborated on how it is not....

» (Answer: *Employer disagreed with the statement of the Employee and explained how it was decided as “Redundant”.*)

4) He gave an option, in not choosing him and other Juniors, where he can accept, “no increase in salary or promotion” in near future.

» (Answer: *Employer appreciated the thoughts of the employee but differed with the suggestion.... Not elaborating whether the junior position also will be redundant or not But concluded that “such expertise is not required in near future” even with suggestion or alteration with compensation*)

5) He also suggested that the contractual employees – in Maintenance, IT Administration, Housekeeping and security shall be dispensed with where the establishment can save lot of money.

» (Answer: *I explained the importance of having contractual employees in non-core activities which were certainly required in any type of establishment. Such employments if outsourced - which is either unskilled in case housekeeping and semi-skilled in case of security and skilled in case of IT administration & Maintenance – can be engaged limited to payment of Minimum Wages. Whereas in core areas, engagement of persons is not similar. Besides, these are areas which support the core areas and can be limited with manpower corresponding to the requirements. And the Employer can do so without any challenge, as agreed with the outsourcing vendor. Laying importance of having such support services in place, Employer*

took over the discussion and stressed separation of Redundant roles.)

- » *I told him that if a ship is leaking (Revenue loss), then few or many have to leave immediately, with a safe boat (here retrenchment compensation) to save the life of others who are trying to arrest the leak in the ship and make it floating again in the waters. The Captain and the Crisis handling team (Management) has to decide on the people (Roles) to be on-board to make the Ship sailing in such catastrophe. Hence requested him to consider the options. Notwithstanding, in line with the Employer's stand, I stressed that it was identification of Roles and not individuals, during this exercise. We, Employer, and me, together expressed our thoughts during the discussion, not to influence on the option by the Employer but to make him aware of the future of the business, in current state of affairs.*

The employee requested for a day or two, to decide.

This case study is just an example of “handling the discussion” where there is no pressure on the employee or influencing him to accept the decision taken by the employer.

Besides, the case study is limited to “Roles” and not to any “Persons” in an Organization.

Employer shall initiate such discussion with the employee, rather than unilaterally taking an action.

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