

## Things to Consider Before You Retrench

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Whenever a worker is retrenched in South Africa, it's not just one person losing an income. That's because employees in this country have a high number of dependents. For example, according to the South African Police Union, each 10111 call centre operator supports about 15 dependents. The statistics are probably similar for other industries. That's why, before any organisation chooses retrenchments, they should do their best to find another way.

### **Alternatives to retrenchment**

Here are some things businesses might consider, bearing in mind that changes in terms of service require their employee's consent.

- Reduction in work

Rather than lose their jobs, employees may be open to working shorter weeks, fewer hours - like half days - or shorter shifts. This means they'll have some form of income to tide them over, and it frees them up to look for a second job or even another position, making retrenchment unnecessary.

- Reduced pay

A small reduction in pay across the entire workforce won't be as hard felt as losing one's job altogether. Yes, it's easier to retrench than renegotiate contracts throughout the company. But many have done it successfully. Conversely, freeze increases until the organisation's fortunes recover.

- Voluntary retrenchment

Some workers are more desperate to keep their jobs than others, who may have been looking for a reason to move on. Voluntary retrenchment is also a good way of reinvigorating the workforce because those who are no longer aligned with the company's mission or values are more likely to take the opportunity to leave.

- Reduced benefits

Although some benefits are required by law, others can often become bloated beyond their value in keeping workers happy and motivated. Reducing benefits gives a business the chance to rationalise their expenditure and, in tough times, employees are more likely to appreciate that necessity.

- Redeployment

This means either moving willing employees to other departments where their abilities are needed or training them to take on new duties, sometimes completely different to what they were doing in the past. Change is difficult but many workers are keen to extend their skills.

- Eliminate overtime

Workers are often paid overtime for working after hours or weekends. This need should drop with an ebb in business and companies can safely cancel overtime. However, employment contracts usually require staff to work after hours from time to time without pay, so some extra hours could fall under this clause.

- Freeze new hires

Rather than reducing the existing workforce, organisations can stop hiring new people. This isn't

always possible because new skills may be required to manage or execute new systems and processes. Again, employers should prefer to upskill current staff.

- **Increased duties**

If a business has enough work but can't fund the required workforce, the extra duties could be shared by current employees. It's essential that employers alert them that this is an alternative to retrenchment and that their efforts are appreciated.

- **Placement assistance programmes**

Once, business journals lauded companies who helped place employees in new jobs as part of their retrenchment process. Does it still happen? Really, it should. Businesses have large customer, supplier and recruiter databases, as well as strong business networks. All it takes is a bulk email or a LinkedIn post to exponentially increase each retrenched worker's opportunities.

***A note to employees***

There are many ways organisations can avoid retrenchment. That said, new technologies and improved business processes can also lead to positions being made redundant. Skills that were common 5 or 10 years ago may simply no longer be needed in the modern business environment. So, there's another angle to consider - workers can avoid retrenchment by retraining themselves for jobs that are currently in demand.

The unemployment rate in South Africa is one of the highest in the world and, with our current recession, it may get worse. At SAPA, we're reaching out to employers to not just follow the law but to do their utmost to avoid retrenchments. Sometimes, there's no other way. But if it's an excuse to cut costs or improve shareholders' dividends, this isn't the right time for such thinking. So please, approach retrenchment responsibly. With the high number of dependents each employee must support, it's not just one person who will go without.

**ENDS**

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