

Getting In 2 HR

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In This Issue...

6 cost cutting ideas
prior to redundancies
In 2 HR Viewpoint

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Depressing isn't it; the papers, press and media are full of doom and gloom about the recession, the on- going credit crisis and increasing unemployment. Few will be immune from the downturn in business and the need to take action. This month we want to focus on some cash saving ideas that might be used to help protect your company without having to make good employees redundant.

Making staff redundant is a drastic and potentially expensive cost cutting process. Before embarking on this, it may be worth considering whether there are any other ways that may enable you to keep good staff but that still give vital, temporary, savings to the company. .Below we offer six ideas that might help companies to survive the recession.

As this is the last newsletter for 2008 and we may not see you all before Christmas, I would like to take this opportunity to wish you a very Happy Christmas and, in spite of these difficult times, a successful 2009.

Regards
Nicki

6 cost cutting ideas prior to redundancies

1. Talk to staff about the need to cut costs

If there are rumblings and rumours about the loss of clients, a downturn in the business, etc. then do not shy away from discussing the situation with staff. Talking to staff and asking for their ideas is a good way of getting them involved in the process and "on side". It is quite acceptable to ask them about possible ways to cut costs, or for ideas they have that will make them more productive. You may be surprised with the response.



If you handle it carefully and are positive about the situation, then the company will be better for it in the long run as staff will see that you are trying to look after them.

If you need a short term boost to ease cash flow, try offering a sabbatical. Does anyone in the company have a lifelong ambition to travel around South America, visit relatives in Australia or undertake a full time training course to learn a new skill or hobby? If so, by offering a sabbatical, they get to fulfill their burning ambition and you save on their employment costs in the short term and retain good employees over the longer term - a win-win solution for both parties.

The idea is that the employee goes off and pursues a dream and you keep a job open for when he or she gets back. Large companies usually offer this benefit to employees on a paid basis, but in hard times, you may find employees with life long ambitions to have, say, 6 months off, might be prepared to go unpaid. You could even offer a small inducement of an amount much less than the redundancy cost.

In 2 HR Viewpoint

In viewpoint this issue we are giving some general guidance to help companies to survive the Christmas party, without ending up at an employment tribunal. So here are a few tips for a stress-free staff Christmas party:-

- consider paying for the venue and the food but limiting the amount of free alcohol, for example providing a bottle of wine between three people.
- ideally arrange transport or accommodation for staff but if you cannot do that, provide telephone numbers of reliable taxi firms and make it clear that getting to and from the party is the employees' responsibility not the company's
- advise employees in advance that only acceptable behaviour will be tolerated
- provide information on the potential effects of alcohol on the morning after, as employees could be over the legal limit when driving to work the next day.
- assuming the following day is a working day, advise that non attendance at work that day could require the removal of the self-certification option and it may be logged as a day of holiday.
- If there is entertainment or a theme to the event, you should ensure care is taken not to upset any employees.



Do you know of anyone who would be interested in receiving this newsletter? If so, then use the 'forward to a friend' link below.

If you know of a company that would benefit from some free advice, then just get them to email their question via the contact us page on the website.

Disclaimer The information given in this newsletter is provided as a guide and overview only and not as specific legal facts. If you are unsure about any of the information provided you are advised to contact us directly.

Regards,

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