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You no longer have a job...but stick around we need you!

Termination in Tough Times Survey indicates employers are changing the way they approach job cuts.

Toronto, ON September 10, 2007. A survey of Canadian companies conducted by employment law firm, Rubin Thomlinson LLP, indicates the economic downturn is creating difficult decisions for employers as they grapple with cutting costs and losing employees.

According to the survey, Termination in Tough Times, four out of ten companies are planning to cut jobs because of the economy, however “two significant trends seem to be emerging,” states employment lawyer, Christine Thomlinson, “which may signal a change in the way companies are managing as they come under pressure to cut costs and downsize.”

Of the companies that are planning to cut jobs related to the current slowdown in the economy, almost 24% indicate they will be requiring employees to work out their notice; a practice that had all but vanished from the workplace.

“In other words, employers are saying ‘You will be out of a job in the next few months, but you will have to work until then’” says Ms. Thomlinson, a founding partner of the law firm based in Toronto.

“While employers may view this as getting value for severance, this has the potential to cause major disruptions and tensions in the workplace as disgruntled employees remain in their jobs until the notice period is completed. This often ends up causing more trouble than it’s worth for the company” Thomlinson added.

In the past, the practice has typically been to dismiss employees immediately and then provide them with severance in lieu of giving advance notice of their termination. Many employees have come to expect this as standard practice. The survey results may indicate that employers are exercising their legal right to require employees to work out their notice.

Another surprising trend--the survey showed there are employers that are delaying terminations because of current economic conditions. Of these, a significant number, 50%, said that they are doing so because they are ‘*concerned about finding a replacement.*’

“This is a significant finding because it may represent the struggle that employers are facing” says Thomlinson, “as they try to balance the reality of labour shortages and the war for talent needed to compete in the global marketplace with what has been the traditional cost-saving measure of cutting jobs.”

Termination in Tough Times Survey was conducted by Rubin Thomlinson LLP, among Canadian companies in July/August 2008.

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