



**European Bank**  
for Reconstruction and Development

# EBRD Performance Requirement 2

## Labour and working conditions

# Workforce retrenchment

## Guidance note

This document contains references to good practices; it is not a compliance document. It should be interpreted bearing in mind the environmental and social policy adopted by the EBRD. In case of any inconsistency or conflict between this document and the environmental and social policy adopted by the EBRD as amended from time to time, such policy shall prevail. Questions of interpretation shall be addressed solely in respect of the environmental and social policy.

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Whenever a project is likely to give rise to significant job losses, it is important that any retrenchment is carried out in accordance with the EBRD’s requirements and in line with national law. EBRD requirements on redundancy are contained in PR2.19 (see below).

### EBRD requirements on collective redundancy (PR2.19 in the Environmental and Social Policy)

“Prior to implementing any collective dismissals (as defined in Article 1 of EU Directive 98/59) in connection with the project, the client will carry out an analysis of alternatives to retrenchment.

If the analysis does not identify viable alternatives to retrenchment, the client will develop and implement a retrenchment plan to assess, reduce and mitigate the adverse impacts of retrenchment on workers, in line with national law and good international industry practice and based on the principles of non-discrimination and consultation.

The selection process for retrenchment will be transparent, based on fair, objective, consistently applied criteria, and subject to an effective grievance mechanism.

Clients will provide reasonable notice of changes to employment conditions to the unions concerned (where they exist), and to workers and their representatives and, where appropriate, relevant public authorities. This consultation will aim to reduce and mitigate potential adverse effects of job losses on the workers concerned. The outcome of the consultations will be reflected in the final retrenchment plan.

All outstanding back pay and social security benefits and pension contributions and benefits will be paid: (i) on or before termination of the working relationship to the workers; (ii) where appropriate, at a point in time agreed with the worker; or (iii) payment will be made in accordance with a timeline agreed through a collective agreement.”

**EBRD requirements - key points**

- Collective dismissals must always be carried out in accordance with the provisions of national law and applicable collective agreements.
- The client will carry out an analysis of alternatives to retrenchment.
- If no viable alternatives are identified, the client will develop a retrenchment plan for carrying out redundancies. The retrenchment plan should include measures to reduce and mitigate the adverse impacts of retrenchment on workers.
- The client will consult with trade unions or other workplace representatives over the proposed redundancies. Consultation should be about avoiding or reducing redundancies, the method of selection and mitigating the effects of the redundancies. The outcome of the consultation should be reflected in the final retrenchment plan.
- The client will ensure that the criteria for selection for redundancy are objective, fair and transparent. In particular, the client will aim for a gender-neutral impact in the restructuring.
- The client will implement a procedure which provides individuals with the right to challenge their selection.
- The client will pay all outstanding back pay, social security benefits and pension contributions and benefits to those affected by retrenchment in a timely manner.
- The client will notify the EBRD one month in advance of the implementation of all redundancies covered by PR2 and, in the case of large-scale redundancies, also provide the EBRD with a copy of the retrenchment plan in advance of dismissals.

**PR2 minimum requirements according to scale of collective redundancy**

|   | Redundancy affecting 10% of workforce or over 30 workers | Redundancy affecting 25% of workforce or over 500 workers |
|---|--|---|
| <b>Actions to implement PR2.19</b>                  |  |   |
| Consult with workforce                              | ✓  | ✓   |
| Develop a retrenchment plan                         | ✓  | ✓   |
| Assess broader community impact                     |  | ✓   |
| Advance notification to the EBRD                    | ✓  | ✓   |
| Advance submission of retrenchment plan to the EBRD |  | ✓   |
| Reporting to the EBRD in annual report              | ✓  | ✓   |

# 1. What is a “collective dismissal” under PR2?

Consistent with Article 1 of EU Directive 98/59,<sup>1</sup> the requirements of PR2.19 will apply in case of dismissals carried out by an employer for one or more reasons that are not related to the individual workers concerned and where the number of redundancies made within a single establishment<sup>2</sup> over a period of 30 days<sup>3</sup> is:

| Total no. of employees | Redundancies threshold |
|------------------------|------------------------|
| Up to 20               | Not applicable         |
| 21 to 99               | 10                     |
| 100 to 299             | 10%                    |
| 300 or more            | 30                     |

<sup>1</sup> Note that the EU Directive is referred to in PR2.19 only for the purposes of defining what constitutes a “collective redundancy”. The substantive and procedural provisions of the Directive are not part of PR2.19.

<sup>2</sup> “Establishment” refers to the unit to which the workers made redundant are assigned to carry out their duties. The CJEU has ruled that “where an ‘undertaking’ comprises several entities (...), it is the entity to which the workers made redundant are assigned to carry out their duties that constitutes the “establishment” for the purposes of Article 1(1)(a) of Directive 98/59”. See also <http://bit.ly/2oysPEr>

<sup>3</sup> EU member states may also choose to set legislative thresholds defining collective dismissals as follows: “Over a period of 90 days, at least 20 workers are dismissed, whatever the number of workers normally employed in the establishments in question”. Where an EBRD client operates in an EU member state that has chosen this definition of collective redundancies, then this definition will be used to determine whether PR2 requirements are triggered.

## 2. Clients' roles and responsibilities

EBRD clients will have different roles and responsibilities in a retrenchment situation, depending on their position as current employer or incoming operator, and also depending on whether they are a private sector employer

or a state-owned enterprise, with the latter sometimes having implied obligations to worker welfare and active labour market policies beyond legal compliance.

| Client situation              | Client role and responsibilities in workforce restructuring  |
|-------------------------------|--|
| <b>State-owned enterprise</b> | <p>The transfer of state-owned enterprises commonly brings with it the need for workforce restructuring. In many cases, the state in its capacity as employer will reduce the headcount of the undertaking prior to the transfer or concession, particularly where the facility or operation requires significant investment. In this case, the state-owned enterprise, as employer of the workforce at the time of collective dismissals, has full and exclusive legal liability for undertaking the exercise in line with statutory and agreed norms.</p> <p>As an EBRD client, there are three key ways for a state-owned enterprise to minimise the negative impacts of workforce restructuring in line with PR2:</p> <ul style="list-style-type: none"> <li>• manage the restructuring process transparently and with the involvement of workers</li> <li>• support active measures which are relevant to assist redundant workers to find alternative income-generating opportunities, including deployment of employment agency resources to support labour market re-integration, re-skilling and broader support measures</li> <li>• engage with incoming operators (see below) to provide ongoing support for the most appropriate social impact mitigation approaches, potentially including priority re-hiring.</li> </ul> |
| <b>Private company</b>        | <p>While the EBRD's policy in no way inhibits workforce restructuring, there is a strong case to be made that private sector enterprises should act in a way that optimises the legacy of restructuring, thereby safeguarding their reputation.</p> <p>As an EBRD client, a private company must follow PR2, including:</p> <ul style="list-style-type: none"> <li>• managing the restructuring process transparently and with the involvement of workers</li> <li>• in larger-scale redundancies, identifying and seeking partners to deliver active measures which are relevant to reduce the impact of redundancy on workers and their households.</li> </ul>   |
| <b>Incoming operator</b>      | <p>While liability for the redundancy resides solely with the employer at the time of the restructuring, an incoming operator should seek to ensure that workforce restructuring is undertaken in a lawful and professional way, including the following:</p> <ul style="list-style-type: none"> <li>• The operator must be attentive to any national legislation on transfers of undertaking. In many jurisdictions this may limit the scope of lawful dismissal as a direct result of change of ownership, and will likely limit unilateral modification of terms and conditions of employment.</li> <li>• The incoming operator has a responsibility to create and maintain a 'social licence to operate'. This licence can be closely related to the way in which restructuring and redundancy is carried out, even where the operator is not legally liable for the redundancies. This will likely entail close coordination with and support for active measures to support those workers whose posts are made redundant, as well as broader community support measures in the case of larger-scale redundancies.</li> </ul>   |

## 3. Compliance with national legislation and collective agreements

Collective dismissals should always be carried out in accordance with the provisions of national law and applicable collective agreements.

National law will often contain clauses relating to the due process, notification, consultation and other means

of effecting the dismissals. Collective agreements often have clauses relating to consultation and may include the agreed methods for selection. Both will normally include clauses relating to the level of payments to be received by those dismissed for redundancy.

## 4. Planning and analysis of alternatives to retrenchment

In many cases, workforce restructuring need not involve compulsory redundancies and it is therefore important to ensure that all potential alternatives have been considered in advance. Even when compulsory redundancies are necessary the alternatives listed below may help to reduce the number of workers affected.

Possible alternatives will depend on the provisions of national legislation and collective agreements but may include the following.

- **Natural attrition:** non-replacement of workers who leave the company (for example, due to retirement or resignation).
- **Business restructuring:** shedding non-core activities or contracting them out.
- **Workforce management:** manage payroll to remove any “ghost workers” (that is, workers who are recorded on the payroll system but do not work for the firm), retire workers of retirement age.
- **Workforce restructuring:** redeployment to another part of the entity, training or re-training to meet identified skills shortages.
- **Reorganisation of working time:** unpaid voluntary leave, reduce working hours/working week, reduce overtime.
- **Use of early retirement/voluntary redundancies:** offer early retirement package to volunteers to avoid requirement for compulsory redundancies (in close coordination with active skills management to ensure that the rights skills profiles are maintained within the organisation).

## 5. Retrenchment plan

PR2.19 establishes that retrenchment should be conducted according to the principles of consultation and non-discrimination. Preparing a retrenchment plan is the best way to ensure that all potential problems and issues have been considered and that appropriate responses can be devised and implemented. A plan will also provide a clear programme on which to base consultations.

The retrenchment plan can also serve to explain the process of restructuring. An explanation of the process can assist in strengthening the outcome, minimising damage to EBRD clients’ operations and reputations, and establishing the legitimacy of the restructuring by explaining it to external stakeholders, including the Bank and national stakeholders. In short, the plan can benefit from explaining how a well-executed workforce reduction can help the business better deliver on its objectives.

A retrenchment plan will normally include:

- the reasons why job losses are necessary
- the timescale for retrenchment
- who will be consulted and when
- how employees will be selected
- how alternative jobs will be sought
- how severance pay will be calculated
- what measures are in place to assist those losing their jobs to seek new work/retrain
- how broader community impact issues are to be addressed, where applicable.

The scope and level of detail of the retrenchment plan will vary from case to case, depending among others on the number of anticipated job losses and associated socio-economic impacts. Where retrenchment plans are required by law, clients should ensure that the retrenchment plan is in line with regulatory requirements.

## 6. Reasonable notice of planned redundancies

Where redundancies are planned, there should normally be a due process, including reasonable notice given to both workers' representatives and, where required by law, national authorities. This will often be required under the terms of national law and these provisions should always be complied with.

In any event, the notice period should be of sufficient length to allow workers' representatives to:

- assess the likely impact of the redundancies on the workforce and the community
- seek independent advice
- communicate and consult with the workers they represent
- propose alternatives to mitigate the impact of the redundancies and discuss these with the company
- put other appropriate actions in place.

## 7. Consultation

Talking through the options around proposed redundancies is an important part of the process and consultation with trade unions and workers' representatives will also often be a requirement of national law. It is certainly always good practice. Workers' representatives may come up with alternative suggestions which lead to fewer job losses and greater efficiency gains. Consultation is most beneficial when it takes place as early as possible and when the scope of consultation is clearly defined in advance.

At a minimum, consultation should include a discussion of ways to avoid collective redundancies or reduce the number of workers affected, as well as ways to mitigate the consequences of collective redundancy.

It is also good practice to consider other areas for consultation such as selection criteria for workers to be dismissed and the amount and payment of severance.

Clients can demonstrate their commitment to good practice by facilitating the inclusion of both men and women in the consultation process, both on the trade union/workers' representative team and on the management team.

## 8. Selection criteria

PR2 requires that any selection criteria be "transparent [and] based on fair, objective, consistently applied criteria". This has the added advantage of minimising the risk of discrimination. Typical factors included in selection criteria include:

- length of service
- skills assessment
- disciplinary record
- performance record
- absence record (excluding maternity)
- knowledge and qualifications.

In many jurisdictions, there are protections against termination of employment, including redundancy for economic reasons, for certain categories of worker: these may include pregnant women, women on maternity leave and, in some cases, trade union representatives.

Selection criteria should be carefully examined to ensure that they do not lead to 'indirect discrimination' by disproportionately impacting a particular group.<sup>4</sup> For instance, this can happen if part-time employment is used as a selection criterion. In many cases, women are much more likely than men to work part-time and therefore, if 'part-time employment' were used as a selection criterion, this would be likely to affect women disproportionately and thereby indirectly discriminate against women.

EBRD clients should aim for a gender-neutral impact of the retrenchment process. To this end, careful attention should be paid to the representation of women and men in certain functions or positions within a company's workforce. For example, women may be over-represented within administrative positions and in the event of retrenchment this may lead to a disproportionate effect of the retrenchment process on women if cuts are focused on administrative streamlining.

EBRD clients should where possible avoid the burden of the retrenchment process falling disproportionately on a particular group of workers. This may be possible by carefully analysing the different scenarios and their associated gender impact when developing a retrenchment plan. However, in the event that no alternatives are found and the retrenchment process affects women (or men) disproportionately, the client should put in place active support mechanisms focused on supporting the employability of the group of workers being made redundant (see 'Retraining and Active Measures' below).

<sup>4</sup> Indirect discrimination occurs when there is a practice, policy or rule which appears to be neutral because it applies to everyone in the same way but in practice disadvantages particular groups.

## 9. Grievances and appeals

There should be an effective grievance mechanism in place to allow workers to appeal against their selection for redundancy. Any grievances should be dealt with quickly and transparently.

Although the retrenchment process is a collective exercise, each individual has the right to put forward reasons why he or she should not be selected for redundancy or to raise complaints about the way in which the process has been handled.

Having an appeal and grievance procedure ensures the sense of fairness and consultation reaches down to an individual level. It may also mean that other ways of avoiding job losses, or at least mitigating their effect, are identified.

Key elements of an effective appeal or grievance procedure are:

- The process should be transparent and communicated to workers in writing.
- All workers should have the right to initiate the procedure.
- The process should be completed promptly.
- Where possible, a manager other than the one who effected the redundancy should hear the appeal or grievance.

## 10. Severance payments and back payments

Retrenched workers are usually entitled to severance payments and it is vital to check the relevant requirements of national law. For example, most national legislation provides that minimum amounts of severance are paid to each worker dismissed in a retrenchment, often with variations depending on each individual's length of service, wage or salary level, or special hardship payments. Collective agreements may also specify severance payments which are in excess of those provided by national law

The employer implementing redundancies should be able to inform the EBRD how severance payments were

calculated and the amount of severance payment being offered to each worker. It is important to ensure that any payments are made in a timely manner and that the amount of each payment is clear to employees receiving it.

In addition to severance pay, employers must also ensure that all outstanding back pay, social security benefits and pension contributions are paid. This should usually happen before or at the point that working relationships are terminated, although other arrangements are possible if agreed in advance with the worker or through a collective agreement.

## 11. Retraining and active measures

It is good practice to actively develop measures for any employees who are losing their jobs. This is particularly important for workers with fewer formal qualifications or older workers for whom alternative income-earning opportunities may be limited.

Active support measures are aimed at helping employees being retrenched to find alternative sources of income, minimising social costs, increasing efficiency and preventing a negative atmosphere for the workers who are remaining.

The first step in supporting active measures is to undertake an assessment of the workers being retrenched and of the local labour market to see whether the skills and aspirations presented by the retrenched workforce responds to real skills requirements. It is then possible to begin to devise avenues of intervention, which can include any or all of the following:

- **Job search assistance** to optimise opportunities to re-enter the labour market. This can include placement help (employment intermediation) to match workers with opportunities in the job market, time off for job search prior to termination of employment, and help in building skills and confidence to find a new job (interview skills, personal skills assessment, writing job applications, job clubs).
- **Training**, including retraining and skills upgrading, so that displaced workers can find new paid employment elsewhere, and training in small business, microenterprise, or livelihoods to help them create self-employment and incomes.
- **Business skills development**, including starting new SME start-ups, potentially out-contracting to the former employer.

- Basic **financial skills training** for all employees, to ensure that severance compensation is appropriately managed.
- **Counselling** which, in addition to advice on services and support open to the displaced worker, may include elements of psychological counselling.

Active measures such as the above will add to the cost of restructuring, and therefore any decision to support these interventions must take into account their likely cost-effectiveness. Equally, this cost must be viewed in light of the value of a continued 'social licence to operate' (that is to say, preserving the reputation of the company by retaining the trust of the remaining employees and the wider community).

Some active support measures need a permanent structure with people assigned to it (either internally from the human resources department, sub-contracted or jointly with internal and external resources). Financial resources for the tool creation and application should be provided for in the financial plan and the operational profitability calculation.

In order to assess the feasibility of delivering active support measures, it will be necessary to identify and evaluate potential partners to assist in their delivery. In many EBRD countries of operations, there are a number of private agencies and government-run agencies (such as the national employment agency) which specialise in providing such training and would be well placed to assist with this.

Particular attention should be paid to the needs of women workers who are made redundant, particularly those with few formal qualifications. These workers may experience additional challenges in finding alternative employment, exacerbated by care responsibilities, mobility restrictions and societal norms. In such cases, vocational and entrepreneurship training should be accompanied by soft skills training (such as leadership) as well as referral to other opportunities for women-to-women networking and or mentoring.

## 12. Implementation and follow-up

Implementation can commence only when formal statutory notifications have been made to worker representatives and government agencies and when tools and procedures have been prepared to effect the retrenchment, including an appeal or grievance mechanism.

Once consultation has occurred, an announcement can be made on the number of redundancies that will be made and the manner in which employees will be selected. If possible, it is highly desirable to carry out interviews with every person affected by the retrenchment and to be prepared to review individual selection if any new information which affects the candidate's status or capacity to meet selection criteria comes to light (this could include revelation of pregnancy, a terminal illness, or qualifications and competencies not captured in appraisals, any of which may mean reassessment against the selection criteria will be necessary). Severance payments must be made in a timely manner.

Active support programmes must be brought to the attention of retrenched workers and a direct link made for them to service providers.

The redundancy plan should be implemented in accordance with the law and in a way that ensures that there is no discrimination. Implementation should also include a 'compliance check', documenting the process and timing of informing workers and authorities, verifying the objectivity of selection criteria, offering alternative posts, and gaining trade union consent. It is also important to put in place some form of monitoring to ensure that the process is complied with and also to assess whether particular groups are more adversely affected than others. It is good practice to carry out an evaluation and drawing of lessons from the process, for example, six months after the completion of the exercise.

## 13. Notification and reporting requirements to the EBRD

### **Advance notification**

As a material factor relating to its investment, the EBRD requires notice of at least one month in advance of the implementation of any proposed collective redundancies covered by PR2. Such notification should include the reason for the proposed retrenchment, the number of workers affected and the time frame. In the case of large-scale redundancies, typically where either greater than 25 per cent of the workforce or over 500 workers are to be dismissed, clients are also required to provide the EBRD with an advance copy of the retrenchment plan. Additional or alternative requirements may be agreed on a case-by-case basis.

### **Ex post reporting**

The client's annual environmental and social reports to the EBRD should include information on the implementation of all collective redundancies that occurred during the reporting period, as well as on any grievances raised in relation to the redundancy process.

## 14. Corporate distress, insolvency, workplace closure and employee debts

Where a client is in extreme financial difficulty, the company may cease to trade. Insolvency practitioners will then be responsible for ensuring that workers have been paid any outstanding wages or other debts due to them. National law will determine whether workers have special preferential rights over certain creditors.

Where the client is at serious risk of ceasing to trade it may be the case that job losses will be inevitable in order to protect the trading position of the company. In such circumstances, any job losses should be kept to a minimum and should also be carried out in accordance with the guidance in this note.

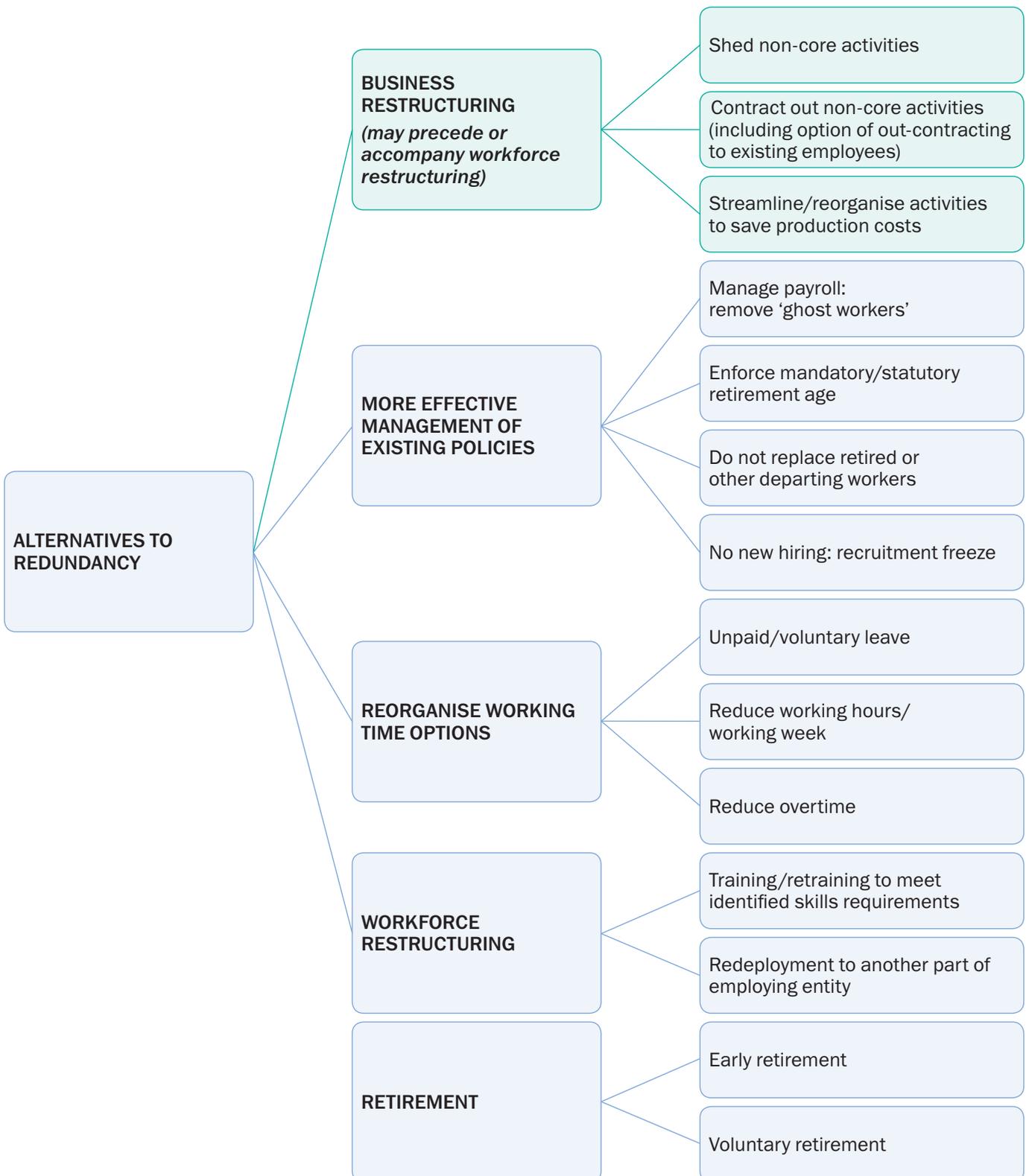
## 15. Support and further guidance

The Environment and Sustainability Department of the EBRD can provide assistance and guidance on all of the matters set out above. Clients dealing with large-scale job losses should not hesitate to request further support where appropriate.

# Module A: Analysis of alternatives to retrenchment

In many cases, workforce restructuring need not involve compulsory redundancies. Substantial reductions in workforce numbers can often be achieved through natural attrition (workers leaving through retirement or resignation and then not being replaced), particularly if

there are a significant number of older workers among the staff. The use of natural attrition has the benefit of making the restructuring process smoother, helping to maintain workforce morale.



# Module B:

## Legal and process compliance checklist

|  | Response |
|--|----------|
| Is the enterprise/sector covered by a collective agreement and, if so, what are the provisions with respect to collective redundancy?  |          |
| Is the enterprise/sector covered by another binding agreement or statute, such as a Decision of Council of Ministers? If so, what are the provisions relating to collective redundancy?            |          |
| In the context of privatisation, are there other redundancies which establish a (good practice) precedent with regard to process and mitigation measures?  |          |
| What are national provisions on transfer of undertaking and do they apply in this case?  |          |
| How much scope is there under national legislation to reduce working hours and overtime as an alternative to job cuts?   |          |
| Is governmental permission required to proceed?  |          |
| What are the requirements for consultation with trade unions or other worker representatives over redundancies?  |          |
| Have you developed selection criteria in consultation with workers' representatives which are objective and non-discriminatory?  |          |
| Is voluntary severance/early retirement a possible legal alternative?  |          |
| How are minimum severance payments to be calculated?   |          |
| How much notice must be given to each worker?  |          |
| What are the individual requirements that must be observed in relation to each worker's dismissal?   |          |
| Is there specific legislation relating to women or other protected groups such as minorities?  |          |
| What statutory protections are there for workers on maternity leave, parental leave or long-term sickness absence?   |          |
| What legislation, if any, covers unemployment insurance and other aspects of social security, and regulated welfare funds, pension funds, childcare and other social systems of workplace support? |          |
| What rights do workers have in the event of transfers to other employers ('transfer of undertaking') and outsourcing? What employment obligations are binding on the new operator?                 |          |
| What state agency procedures exist that relate to dispute resolution, including conciliation and mediation?  |          |
| What laws are in place that are related to the rights of 'atypical' workers – such as temporary, part-time, self-employed, seasonal and home-based workers?  |          |
| Are public and private pension arrangements 'portable' from one employer to another?   |          |
| Are there any rules that require preferential treatment for retrenched workers in respect to future employment?  |          |

# Module C:

## Proposed structure for retrenchment plan

### 1. Background and rationale

|  |   |
|--|---|
| Business rationale for redundancy  |   |
| Anticipated timeframe  |   |
| Characteristics of workforce   | <i>(number of men and women employed by skill level and type of contract – see summary table in section 12 below)</i>         |
| Adequacy of current workforce – staff numbers and skills – and need for redundancy |   |
| Size of the planned redundancy   | <i>(number of men and women to be retrenched by skill level and type of contract – see summary table in section 12 below)</i> |

### 2. Relevant economic context

|   |  |
|---|--|
| Local labour market summary   |  |
| Importance of the enterprise in the local economy   |  |
| Main trends in sector (such as projected growth, level of employment, wages, foreign and domestic investment) |  |

### 3. Analysis of alternatives to collective redundancy

| Description of alternative  | Advantage | Disadvantage | Conclusion: to be used yes/no |
|---|-----------|--------------|-------------------------------|
| (Such as redeployment, reduction in working hours, early retirement, and so on) |           |              |                               |
|   |           |              |                               |

Explanation of why collective redundancies are chosen instead of, or in addition to, alternatives above:

|  |
|--|
|  |
|--|

## 4. Legal/institutional framework

|   |  |
|---|--|
| Legislation applicable to collective redundancy   |  |
| Provisions on collective redundancy included in Collective Agreement                              |  |
| Confirmed compliance of planned redundancy with applicable legislation and collective agreement/s |  |
| Coverage of redundant workers by unemployment insurance or other social security programmes       | <i>(such as 'Unemployment Payment for Unemployed Jobseekers' and 'Economic Aid' for individuals)</i> |
| Eligibility of part-time or contract workers to receive benefits or support                       |  |

## 5. Consultation schedule (attach minutes of consultation meetings as annex)

| Consultation meeting/session | Themes | Participants | Information/data to be prepared | Time/day |
|------------------------------|--------|--------------|---------------------------------|----------|
|                              |        |              |                                 |          |
|                              |        |              |                                 |          |
|                              |        |              |                                 |          |

## 6. Selection mechanism and criteria for dismissal

| Mechanism  | Explanation of how mechanism works | Criteria  | Affected workforce  | Dismissal schedule                                       |
|--|------------------------------------|---|---|--|
| <i>(Name of mechanism – for example, skills-based, voluntary, last-in-first-out)</i> |                                    | <i>(Such as performance, length of service)</i> | <i>(Estimated number of workers affected, with list of individual workers in separate document)</i> | <i>(Planned last day of work for affected employees)</i> |
|  |                                    |   |   |  |

## 7. Management arrangements

|   |  |
|---|--|
| Nominated person responsible for redundancy process |  |
| Description of grievance and appeal procedures      |  |

## 8. Anticipated impacts on workers and communities

|  |  |
|--|--|
| Form of impact assessment undertaken: date, consultant, terms of reference                                       |  |
| Summary of prospects for redundant workers (market demand for skills, alternative sources of income/ employment) |  |
| Eligibility of retrenched workers for unemployment or other benefits   |  |
| Impacts on wider community and remedial measures proposed  |  |

## 9. Active support measures for workers made redundant

| Activity   | Time | Conducted by<br>(employer, national employment agency, and so on) | Type of workers in receipt of support |
|--|------|---|---------------------------------------|
| <i>(For example, training for dismissed workers, career support)</i> |      |   |                                       |
|  |      |   |                                       |

## 10. Redundancy budgets (please add/modify line items as appropriate)

| Type of cost   | Amount |
|--|--------|
| <b>Severance budgets</b>   |        |
| Statutory entitlement (severance pay)  |        |
| Wages paid for untaken annual leave  |        |
| Wages paid for time off  |        |
| SUBTOTAL   |        |
| <b>Measures to mitigate effects of redundancy:</b>                                     |        |
| Such as: Cost for careers counselling and training on new skills for dismissed workers |        |
| Cost for training on financial management or small business development                |        |
|  |        |
| SUBTOTAL   |        |
| <b>Alternatives to redundancy</b>  |        |
| Such as: Early retirement packages   |        |
| Gratuity benefit for voluntary resignation   |        |
|  |        |
| SUBTOTAL   |        |
| TOTAL  |        |

## 11. Monitoring of the redundancy process

|  |  |
|--|--|
| Indicators to be monitored                                     | (such as payment of severance, outcomes of support provided) |
| Frequency of monitoring activities                             |  |
| Party or parties that will carry out the monitoring activities |  |

## 12. Summary table

|                              | <i>Current workforce</i> |           |       | <i>Workforce reduction by alternative means<br/>(see section 3 above)</i> |           |       | <i>To be made redundant</i> |           |       |
|------------------------------|--------------------------|-----------|-------|---|-----------|-------|-----------------------------|-----------|-------|
|                              | Full time                | Part time | Other | Full time   | Part time | Other | Full time                   | Part time | Other |
| Total                        |                          |           |       |   |           |       |                             |           |       |
| Men                          |                          |           |       |   |           |       |                             |           |       |
| Women                        |                          |           |       |   |           |       |                             |           |       |
|                              |                          |           |       |   |           |       |                             |           |       |
| Aged 18-40                   |                          |           |       |   |           |       |                             |           |       |
| Aged 41-60                   |                          |           |       |   |           |       |                             |           |       |
| Aged over 60                 |                          |           |       |   |           |       |                             |           |       |
|                              |                          |           |       |   |           |       |                             |           |       |
| By occupation/<br>department |                          |           |       |   |           |       |                             |           |       |
| -                            |                          |           |       |   |           |       |                             |           |       |
| -                            |                          |           |       |   |           |       |                             |           |       |
| -                            |                          |           |       |   |           |       |                             |           |       |
| -                            |                          |           |       |   |           |       |                             |           |       |

# Module D:

## Workforce information and consultation

### 1. Legal requirements

Collective dismissals should always be carried out in accordance with the provisions of national law and/or collective agreements. National law will often contain clauses relating to the notification, consultation and other means of effecting the dismissals. Collective agreements often have clauses relating to consultation and may also include the agreed methods for selection.

In terms of timing, where redundancies are planned, there should normally be reasonable notice given to both workers' representatives and national authorities. This will often be required under the terms of national law and these provisions should always be complied with. In any event, the notice should be sufficient in terms of duration to allow workers representatives to:

- consult with the workers they represent
- assess the likely impact of the redundancies on the workforce and the community
- seek independent advice
- propose alternatives to mitigate the impact of the redundancies, taking into consideration different impacts based on gender
- discuss these with the company
- put in place other appropriate actions.

### 2. Why consult?

The purpose of consulting with workers is to stimulate better cooperation between managers and employees, reduce uncertainty and lead to better decision-making. When faced with a redundancy situation, workers and their representatives may be able to suggest acceptable alternative ways of tackling the problem and of minimising hardship. Consultation is a two-way process and involves listening as well as talking. Management should seriously consider all proposals put forward by workers with the aim of reaching an agreement.

### 3. Who should be involved in consultations?

The main partner for an employer in consultation is the workforce and its representatives. However, consultation may also include local, regional or national government agencies (most frequently the Labour Ministry) and communities affected by large-scale restructuring. From the management side, it is important that partners in the consultation include those with responsibility for making decisions on the restructuring process (for example, the senior management team). Beyond the "usual players", the consultation process should involve an active effort to seek the input of those who might not have the representation, voice or confidence to participate in consultation without active engagement and support.

#### Trade unions

If there is a recognised trade union either at the workplace or named in the national law, this will be one of the key consultees. If there is more than one recognised trade union, it is important to ensure that all recognised trade unions are able to participate in consultations. Where possible, trade union representatives involved in the consultation process should include women and men.

#### Consultation with individuals

In the case of individual consultation, employees must be made aware of the contents of any agreed procedure and of the opportunities available for consultation and for making representations. All individuals who are to be made redundant must be consulted, irrespective of length of service of the employee.

Even where there is no ongoing relationship with a trade union, if workers wish an existing and relevant trade union to be consulted on their behalf, this may well be the appropriate course of action to take.

In the absence of a recognised trade union, and of worker demand to be represented by a trade union, there are two alternatives: organising an election of worker representatives or consulting with everyone in the workplace individually.

The latter option can be time-consuming and difficult, so an appropriate form of collective consultation is normally the best route.

## 4. How to consult?

The actual process and calendar for consultations should be agreed between management and workers. The consultation process should allow worker representatives to:

- fully understand the issues
- meet and report back to workers
- meet with management
- request, receive and consider information about the situation.

Redundancy can be a traumatic experience for an employee. Announcement of redundancies will invariably have an adverse impact on morale, motivation and productivity. The negative effects can be reduced by sensitive handling of redundant employees and those remaining.

Holding meetings in a transparent manner, in accordance with a defined timetable is an important way to seek to safeguard employee participation and trust in the process.

## 5. What to consult on?

The law spells out what consultations should cover at a minimum. This may include:

### **Ways of avoiding collective redundancies**

This can include working time reduction, flexible working patterns, pay freezes and cuts in pay.

### **Ways of reducing the number of workers affected**

Where redundancies are inevitable, consultation can seek to mitigate their effects in a number of ways, such as looking for voluntary redundancies and early retirements.

### **Mitigating the consequences of collective redundancy**

This could include a range of measures to help those who are losing their jobs including redeployment, either within or outside the enterprise; training and other measures aimed at increasing employability; outplacement services tailored to the needs of the individual; guaranteeing priority of re-hire for redundant workers; and investment in the local economy in order to encourage new employers to move to the region and create jobs to replace those lost. All measures should be defined taking into consideration differences based on gender (in terms of access to training, redeployment opportunities, and so on).

In addition to those areas outlined in the Labour Code or other relevant legislation, management should also consider consulting the workforce on:

- Selection criteria for workers to be dismissed (see 'Selection Criteria')
- Method for calculating the amount and means/timing of payment of redundancy compensation
- Criteria for re-hiring and mechanisms for monitoring implementation
- Consultations could also consider the dismissal schedule (time frame) and arrangements for workers to take time-off to seek new employment.

## 6. Management checklist: workforce information and consultation

|  | Yes/No |
|--|--------|
| Are all managers aware of existing legal and collectively agreed provisions on consultation between employers and employee representatives regarding restructuring?  |        |
| Are the reasons for restructuring (such as privatisation, liberalisation, technological change) clearly stated and commonly understood by managers and workers?  |        |
| Has the process of consultation over restructuring been planned and agreed between management and workers prior to discussion?   |        |
| Are there social dialogue structures – such as trade union or employee council – which are appropriate for consultation over restructuring?  |        |
| Are there third parties that could or should be involved in the process of social dialogue – for example, local, regional or national public authorities?  |        |
| Have the trade unions or other worker representatives had the opportunity to suggest alternatives to restructuring or to redundancies in the process of restructuring?   |        |
| Do employee representatives have adequate time away from the workplace to prepare and to consult with their constituencies?  |        |
| Will organisational change affect contractor, agency or temporary workers, and are they adequately represented within the process?   |        |
| Have managers and workers considered a range of possibilities, such as support in finding new jobs, to mitigate the possible effects on employment during and after organisational change?   |        |
| Have managers considered any gender gaps in the information and consultation process? (This may include, for example, the different ways in which women and men are likely to access information, or participate in consultative processes or grievance mechanisms.) |        |

# Module E:

## Selection criteria for dismissal

### 1. What are selection criteria?

Once it has been established that there is no alternative to job losses, it is important to move on to determining the method and criteria for selection of those employees who will be chosen for dismissal. This of course applies to situations other than a total closure of the workplace, although selection criteria may still be relevant in a total closure where phased dismissals are anticipated.

There are several ways in which a selection process can be organised, but it is important to ensure that it is:

- transparent
- based on fair, objective criteria
- applied consistently
- subject to an appeal or grievance procedure.

Having clear and objective criteria will help establish that the process is fair and not subject to interference or patronage.

### 2. How to establish criteria?

When developing selection criteria, the enterprise should assess which criteria will best serve the future requirements of the organisation. This may be informed by the objectives and business plans of the incoming operator. For example, what balance of skill-sets and functions will be needed?

Once the criteria have been decided upon, the next step is to consult with employee representatives over their proposed implementation. This will involve clearly setting out the proposed criteria, explaining how they will be implemented, and listening to any concerns or suggestions. Subsequently, a management procedure should be put in place to ensure that the criteria are accurately applied to all employees considered for dismissal.

### 3. What are 'fair' selection criteria?

The general test for the fairness of selection criteria is that they are sufficiently objective to prevent abuse. Much as criteria such as 'worker potential' and 'commitment to the business' may seem attractive, they are almost always based on a subjective assessment of an individual without the back-up of objectively verifiable facts. Criteria that are generally accepted as fair in redundancy situations include:

- length of service
- performance record
- disciplinary record
- absence record (excluding maternity/parental leave)
- skills
- knowledge (including qualifications).

Fairly applying these criteria often requires having formal and objective systems already in place to support decision making. For example, selection based on performance should be anchored in a formal performance management system (that is, regular, structured meetings with an employee to discuss individual performance, including any identified problems or gaps) rather than a subjective assessment of worker productivity. Likewise, any assessment of skills should ideally be based on the results of tests or qualifications. It is also important to ensure that the relevant documentation is in place to support these decisions, that the criteria are clearly communicated to the workers involved and that an appropriate grievance mechanism is in place.

## 4. What are ‘unfair’ selection criteria?

Criteria which infringe national law are not considered fair and cannot be used to select employees for redundancy. Labour laws commonly prohibit discrimination in employment based on:

- sex
- age
- race
- skin colour
- religion
- political beliefs
- nationality
- social origin
- family relation
- physical or mental disability.

Examples of other unfair selection criteria, though not always expressly included in laws, include:

- union membership or activity
- pregnancy and/or maternity status (such as employees currently on parental leave or likely to take it in the near future)
- HIV status.

In some cases, labour laws may provide express protection from retrenchment for certain categories of employees (such as trade union members, young mothers, and so on). The retrenchment process must comply with these statutory protections.

Criteria that are apparently neutral should be carefully examined to ensure that when they are applied they do not indirectly have a discriminatory effect. Indirect discrimination in redundancy selection occurs where a selection method has an adverse impact disproportionately on a particular group. One example is part-time employment. In many cases, women are much more likely than men to work part-time. Therefore, if part-time employment is used as a criterion to select workers for redundancy, this will likely disproportionately affect women and thereby indirectly discriminate against them.

# Module F:

## Active measures to mitigate impacts of redundancy

### 1. What are active measures?

Severance payments undoubtedly play an important role in mitigating the impact of redundancy. However, these are passive measures and do not actively help individuals to find alternative employment. It is important that restructuring is accompanied as much as possible by active measures to promote labour market reintegration for those workers affected by redundancy.

The main types of active measures include:

- pre-dismissal advice and counselling
- job-search assistance
- training
- employee enterprise ('contracting out').

### 2. Pre-dismissal advice and counselling

Advice on services and support may be made available to the displaced worker and potentially to their family members also. This may include elements of financial and life counselling.

Counselling and pre-layoff support can be effective as a mechanism to provide information to workers if delivered efficiently and in a timely manner (that is, before severance). It is most useful as a screening mechanism to identify workers most likely to benefit from training or other support.

### 3. Job search assistance

This can include placement help to match workers with opportunities in the job market, time off for job search prior to termination of employment, and help in building skills and confidence to find a new job (such as interview skills, personal skill assessment, writing job applications/CVs and job clubs).

Job-search assistance/placement works is best suited to labour market contexts where there is demand for labour, the skills mismatch between workers and vacancies is not too large, and where the public employment service is trusted by workers and employers to offer effective employment intermediation services.

### 4. Training and re-training: needs and costs

Training is a vital tool in mitigating the social impact of restructuring so that workers faced with losing their jobs are equipped with the skills needed to find alternative employment. Successful experiences in several EBRD countries of operations suggest that, in the context of larger-scale restructuring, the most effective approach is to create a taskforce or unit which brings together the client enterprise (and the incoming operator where relevant), national and local government and community organisations.

Training and employability-enhancing measures can take a range of forms. Some are provided by the employer and targeted at specific types of employee who hope to acquire specific skills. Others can be arranged on a sectoral basis, following agreement between the social partners at sectoral level.

Training measures often involve an external training provider which works in partnership with the employer. Training is often the biggest element of a redundancy programme, and usually the most costly. Training (commonly referred to as 're-training') needs to be targeted and demand-driven if it is to be effective in cost and outcome.

### Mapping labour market service providers

In many EBRD countries of operations, there are a number of private and government-run agencies which specialise in providing training for retrenched workers to develop skills to match the requirements of the labour market and to seek employment more effectively.

Depending on the local context, key actors will likely include the national employment service (or equivalent) which is responsible for employment service provision – registering those who are unemployed, paying unemployment benefits to those who are entitled to them, guiding and counselling job seekers and delivering active labour market programmes. There may also be a parallel series of state-run vocational training centres.

Any mapping of labour market service providers should take into account the different kinds of training and support that may be needed to support those who are retrenched, including the needs of different categories of vulnerable workers (such as older workers or women). The client may wish to consider engaging external experts to conduct the mapping of labour market service providers.

### Identifying labour market opportunities

Training should focus on providing relevant and in-demand skills. For this reason, it is often necessary to develop a detailed analysis of the local labour market to identify potential opportunities for workers being made redundant. This analysis should take into account any particular barriers to employment and participation in training (such as child care constraints) that are faced by women and other vulnerable groups.

The supply and demand for labour and skills relevant to the workers leaving an enterprise will form the core of the labour market analysis. The analysis typically would include assessments of:

- the capacity of the labour market to provide new formal jobs through estimates of job creation, and labour turnover in the economy
- trends in formal and informal employment and areas of job growth and decline
- alternative employment opportunities, including levels of wages and benefits and any trends

- probability of finding formal and informal sector employment
- patterns of employment in the private sector, including changing hiring practices and skill requirements
- any barriers (including those based on gender) to entry into and exit from formal employment.

The labour market analysis needs to consider both the formal job market and the informal sector because the latter is often a major source of employment.

### Re-training for employment

Re-training courses usually combine a mix of practical and theoretical training and include:

- short-term (one to six months) vocational courses for unskilled and semi-skilled workers in areas such as driving, basic carpentry, or catering
- short-term technical courses for more skilled employees
- in-service training and on-the-job training: often these provide the most effective way for workers to enhance or extend their skills through working as an 'apprentice' to a skilled worker
- training programmes can work with employers to provide on-the-job training and a commitment to hire a proportion of trainees.

### Guidance for job seekers

Training should not be limited to vocational skills alone – it should also include skills such as how to create a CV, how to interview effectively, how to answer questions, how to dress for an interview, how to present one's strengths and how to react in stressful situations. Both the company and the departing employee can only gain from this: the employee will find new employment faster and the company will benefit from finding solutions for redundant employees in a timely manner, thereby retaining the goodwill and morale of employees who are remaining with them. Contents of a typical workshop for job seekers can include:

- how to choose your new direction
- where to find job vacancies
- knowing your skills and strengths
- writing successful letters and CVs
- interview techniques and preparation
- practical advice including how to cope with change and managing finances.

### Other training and advice

Capacity building and training on soft skills such as leadership, personal development, communication, IT or functional literacy might be useful for certain types of low-skilled workers. In particular, women often find these kinds of courses useful in building the confidence needed to find new employment.

### Managing finances

Basic financial literacy courses and advice can also help workers manage their severance payments and re-invest them for productive purposes. Examples of actions could include:

- employing an independent advisor or NGO to explain financial matters to employees
- supporting a local advice centre
- supporting trade union financial advice projects
- working with local banks and community-based financial projects.

## 5. Employee enterprise and financial management

Within any group of workers made redundant there may be some people who have entrepreneurial aspirations and who, given the opportunity and support, would like to try to launch their own company. ‘Employee enterprise’ is where the enterprise creates jobs by contracting out services needed by the enterprise to newly separated workers or by setting up a range of facilities from simple workspaces to more sophisticated ‘business incubators’ which support the development of newly-created small enterprises through providing resources and services, typically including shared workspace and administrative facilities.

This is a key area where a third party such as a new owner-operator of a facility can productively participate to mitigate the social impacts of restructuring in order to maintain and assure a ‘social licence to operate’. Organisations can offer help by considering out-contracting, providing management skills training, technological training and access to credit and financial support.

Employee enterprise tends to work best when the (former) employer has the potential to contract out services (such as construction, facilities maintenance, infrastructure maintenance, and minor works) and is committed to developing a flexible workforce and helping contractors succeed.

### What services need to be provided?

Services provided to workers can include:

#### Enterprise support

- initial assessment of the aptitude and skills of workers to start businesses
- developing business plans
- advising on accounting, financial, legal, marketing and sales services issues
- assistance in liaison with local authorities
- short-term training (usually 1-2 weeks) and other consulting services to unemployed entrepreneurs.

#### Small business incubator services

- workspace available on affordable and temporary basis
- secretarial/admin support
- shared use of office equipment
- business guidance for incubator tenants
- facilitating access to financial support mechanisms (including micro-credit/SME credit lines/credit lines specifically for women)
- facilitating access to information sources.

### Out-contracting

Contracted-out services are one way to encourage employee enterprise and thus reduce unemployment among displaced workers. The enterprise awards limited-term, outsourced subcontracts to firms set up by former employees. Those new small businesses may then create jobs themselves. Contracts are usually awarded with an exclusivity period long enough (typically no more than two years) to provide a secure environment for the new business to learn the disciplines required of private enterprise. Examples include travel services, transport and administrative support. In this case, either the activity is being subcontracted to an existing company or former employees create a new company, with or without temporary capital sharing, and possibly with a decreasing subcontractor agreement to encourage the new company to look for other customers.

### **Making it work**

Not all departing employees will be suited to running their own business and not all the new companies formed are likely to succeed. The prospects of creating sustainable new employee enterprises can be improved by:

- engaging business development advisers to screen and select employees with the aptitude to become small contractors
- providing professional support to the selected employees through access to business start-up training and microenterprise training (with a minimum level of basic business training being mandatory) and taking into consideration the different needs of women and men
- reducing the costs of initial business start-up by providing free or low-cost access to basic facilities, and allowing workers to keep and take the tools of their trade with them into their new enterprise
- providing an initial period (one to two years) of guaranteed employment or exclusivity to allow the new enterprises to start up.

### **Accessing credit**

Any new business requires capital. In order to ensure that the entrepreneurial efforts of redundant workers are not impeded by lack of access to finance, it is important that enterprise and self-employment training encompasses information on lending options available and guidance on appropriate borrowing practices.

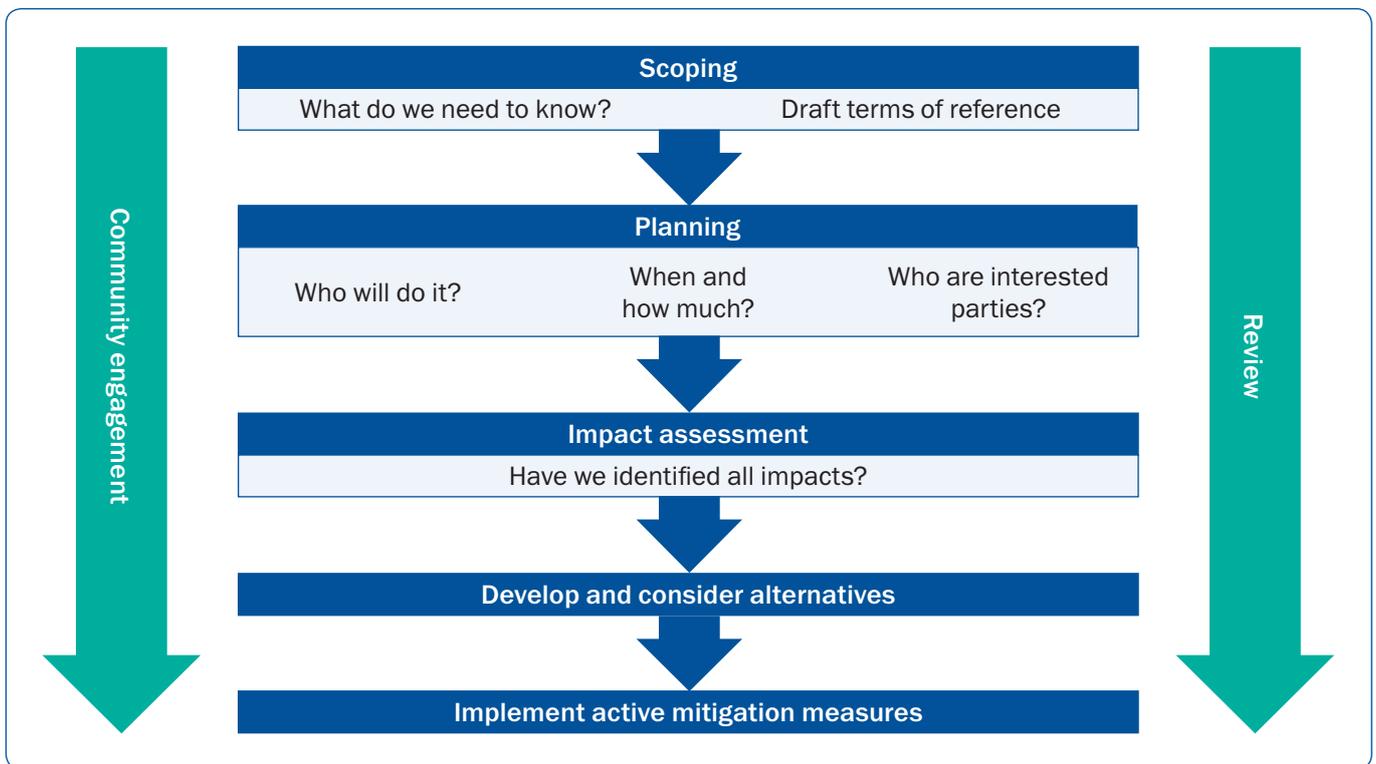
In particular, micro-financial institutions (MFIs) can assist in facilitating access to credit for redundant workers. Should this be the case, a cooperation agreement must be established by the enterprise (that intend to make the dismissals) and the service provider. In addition, a specific contract should be developed between the beneficiary (redundant worker) and the service provider in order for the latter to monitor the set-up process and strengthening of the new enterprise.

# Module G: Assessing community impacts of redundancy

A community impact assessment serves to identify the potential effects of a redundancy and the people that will be affected. On this basis, the assessment can then provide the information necessary to design

interventions to support workers made redundant. The enterprise may wish to consider engaging external experts to conduct the assessment.

## 1. Identifying affected parties



The first task of an assessment is to identify and characterise the population affected by the redundancy. This includes not only the workers themselves but their families and possibly the surrounding community. The impact assessment should identify the most vulnerable groups. The assessment process should engage a range of stakeholders including communities, local governments and NGOs in defining priority issues for the community, establishing means for minimising negative impacts and assisting communities during the transition.

The key principle of any impact assessment is to identify and anticipate the effects of a planned course of events **before they go ahead**. The timing of a community impact assessment is therefore crucial. The assessment should

be commissioned and completed in time to enable modifications to the proposed retrenchment plan and to inform the design of active support measures for workers being made redundant.

A community impact assessment should also aim to establish a framework for monitoring the effectiveness of proposed measures to mitigate impacts. This can be done by undertaking or commissioning a subsequent continuous social impact assessment to provide an independent assessment of the redundancy mitigation measures in place, their equitable distribution and the appropriate targeting of vulnerable groups, including women.

## 2. ‘Social benefits’ provided by the company

Many companies provide a range of ‘social benefits’ (such as housing, travel allowances, subsidised child care and health care) to their employees. Community impact assessments should give consideration to how the loss of these benefits is likely to affect workers and their families and how this could be mitigated. Examples of potential mitigation strategies include ensuring a continuation of social benefits for a given period of time following redundancies or linking workers with alternative service providers.

## 3. Formulating a community impact assessment

The types of social issues and possible impacts associated with a projected redundancy can vary considerably. The following table provides an overview of the types of issues that may be considered during the impact analysis process.

| CONTEXT ANALYSIS                            |  |
|---|--|
| <b>Representatives of local communities</b> | <ul style="list-style-type: none"> <li>• Have all key stakeholder groups been identified and engaged?</li> <li>• What level of knowledge do community groups have of the projected redundancy?</li> <li>• How do they think that the company can prioritise and target mitigation and assistance efforts?</li> <li>• Are women’s specific needs represented within stakeholder consultations?</li> </ul>   |
| <b>Institutional capacity</b>               | <ul style="list-style-type: none"> <li>• Is there sufficient capacity in local government and regulatory structures to cope with supervising and monitoring the redundancy?</li> <li>• Will a lack of organizational capacity lead to limited local involvement in decision-making processes – for example, on the part of trade unions – causing legitimacy problems?</li> <li>• Is there sufficient capacity in local labour market institutions (Employment Service offices) to cope with demands of supporting number of newly unemployed people?</li> <li>• Are there state or private agencies that can assist with career guidance, vocational training/re-training and support with SME creation?</li> </ul> |
| <b>Community dependency</b>                 | <ul style="list-style-type: none"> <li>• Has the company taken on roles or responsibilities – in particular, provision of social infrastructure and services – beyond direct employment?</li> <li>• Which services or infrastructures, including social and medical services, are provided by the company?</li> </ul>  |
| <b>Governance</b>                           | <ul style="list-style-type: none"> <li>• Do local governance structures and processes pose an impediment to the transparent and equitable completion of the redundancy?</li> <li>• How will the redundancy/closure impact on local governance structures?</li> </ul>   |

| IMPACT ANALYSIS   |  |
|---|--|
| <b>Local enterprises</b>                                | <ul style="list-style-type: none"> <li>• If a locally or regionally significant employer ceases operations, will this have knock-on effects – both in terms of employment and commerce – for local businesses, particularly service providers and suppliers?</li> <li>• Is there scope for redundant workers to create small enterprises – for example, working on contract to their former employer?</li> </ul>   |
| <b>Vulnerable groups</b>                                | <ul style="list-style-type: none"> <li>• Will certain groups – such as women or older workers – be affected differently or require special assistance or consideration?</li> <li>• What is the gender and age profile and family status of those workers likely to be made redundant?</li> </ul>   |
| <b>Short-term cash injection into the local economy</b> | <ul style="list-style-type: none"> <li>• What are the risks associated with workers receiving large lump sums of cash (as a result of severance payments)?</li> <li>• What measures can be put in place to minimise the negative effects of a short-term cash injection into the local economy?</li> </ul>   |
| <b>External investment</b>                              | <ul style="list-style-type: none"> <li>• What consequences will the redundancy have for the economic vibrancy and attractiveness of the region for other investors/employers?</li> <li>• How will the redundancy affect the ‘social licence to operate’ of enterprises in the same sector/region?</li> </ul>   |
| <b>Demographic shifts</b>                               | <ul style="list-style-type: none"> <li>• Will redundancy result in a change in the size or composition of the population in the local region?</li> <li>• Will the redundancy entail significant out-migration?</li> </ul>  |
| <b>Local labour markets</b>                             | <ul style="list-style-type: none"> <li>• What will be the immediate and medium term consequences of the redundancy for the local labour market?</li> <li>• What are current local unemployment (and under-employment) rates?</li> <li>• What skills do workers have who are likely to be made redundant?</li> <li>• Are there labour market opportunities available locally which respond to the skill-sets of workers to be made redundant?</li> <li>• To what extent is the local labour market ‘open’ – what are typical pathways to employment/recruitment processes?</li> <li>• Are there any known patterns of gender discrimination in local labour markets?</li> </ul> |
| <b>Stability and conflict</b>                           | <ul style="list-style-type: none"> <li>• Does the redundancy risk create or exacerbate community tensions – either within parts of the community or between the community and the enterprise making redundancies/new operator?</li> </ul>  |
| <b>Gender impact</b>                                    | <ul style="list-style-type: none"> <li>• What impact will the retrenchment have on different groups of women in the community (including women workers, family members, vulnerable women, women employed in indirect jobs linked to the company and their employees)?</li> <li>• Are there likely to be any specific impacts on men? This may include risks of depression, alcohol and drug abuse, and gender-based violence, all of which may differ by age group.</li> </ul>   |