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BUSINESS SOLUTIONS NETWORK

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Prevailing economic conditions require a proactive approach from Employers which understands socio-economic and other consequences of any cost-cutting measures for their businesses and their staff and all stakeholders.

The lead article in the most recent Sunday Times cautioned that some 300 000 jobs could be shed in the near future - mainly in the mining and automobile sectors - because of the worsening global and local economy.

There is a prevailing trend amongst Employers to consider strategies for taking precautionary action in light of uncertainty pertaining to affordability issues for the short/medium term. These actions include:

1. requiring employees to take annual leave entitlements because of excess capacity
2. being more vigilant regarding performance and conduct issues and take stronger disciplinary action against non-performers and staff not complying with Codes of Conduct
3. eliminating overtime arrangements
4. negotiating short-time arrangements
5. suspending new appointments or only employing new staff on short fixed-term contracts
6. introducing multi-skilling options and on-the-job training initiatives to enable multi-skilling options
7. re-negotiating contracts of employment to amend cost of employment issues
8. inviting applications for voluntary retrenchments (subject to Employer discretion to refuse applicants whose skills are required)
9. negotiating special arrangements with staff to reduce benefits. An interesting example is the negotiation of reductions in salary and to allow certain staff (where this is viable) to work from home on flexi-time subject to strict performance criteria and monitoring
10. establishing employee consultative fora to consider and make recommendations on revenue-generating and cost-cutting strategies
11. introducing consultative processes to consider the need for retrenchments and strategies for minimising retrenchments

Employers and their staff have a joint responsibility to act proactively in the mutual best interest and in compliance with Labour Law during these uncertain times.

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