

**Baker  
McKenzie.**

# **Reductions in Force**

Employment Law Considerations  
for Major Workforce Changes



# As we emerge from the pandemic and confront major economic and political turmoil, many multinationals are looking for ways to bolster stability, cut costs and reallocate resources.

Accordingly, employers are closely scrutinizing the relative costs and benefits of strategic restructurings, layoffs, and/or furloughs to maximize efficiencies and reduce labor costs.

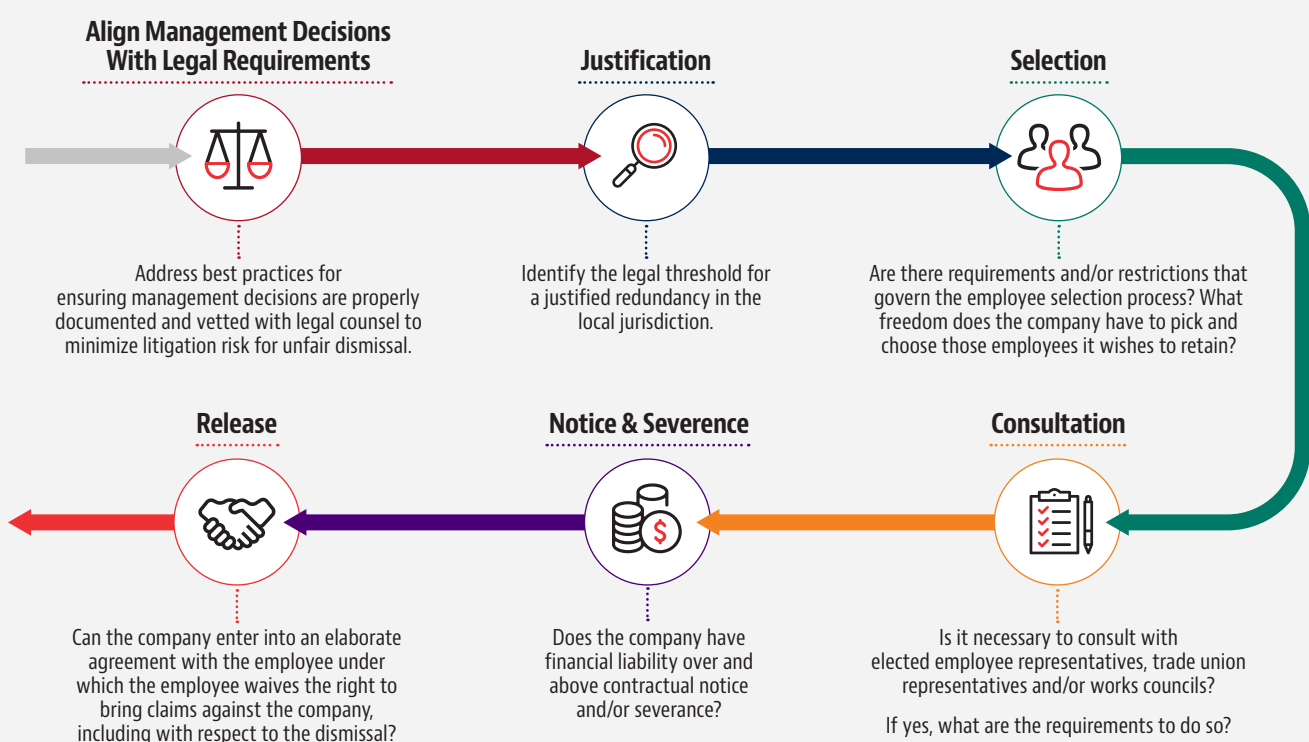
When employers are forced to consider these difficult workforce changes, numerous competing issues complicate the decision-making process. And, when the change is contemplated across multiple jurisdictions, the complexities intensify.

We partner with companies to build a comprehensive change strategy that is people forward and compliance ensured. Through our support, multinationals transition employees to new roles in alignment with local practices, while protecting inclusion, diversity and equity goals, maintaining reputational integrity, and increasing employee engagement. Our careful planning and coordinated teamwork enables your company to nimbly transform, even with multiple statutory hoops to jump through.

## Navigating employment issues in global collective redundancies

Executing reductions in force across multiple jurisdictions requires expert coordination and planning across a varied legal landscape. Experience is the only way to avoid the hidden hurdles. For example, in the US, where employees generally are employed at will (barring union involvement or statutory / contractual notice requirements), reductions in force can be relatively straightforward. In other jurisdictions, such as Hong Kong and Singapore, so long as precise statutory notice and severance are provided where required, reductions in force can also be relatively straightforward. However, in many other parts of the world, including much of Europe as well as in Australia and Japan, there are significant protections against dismissal requiring surgical precision to successfully navigate without incurring unnecessary (and significant) costs and delay.

**We help multinationals outline their options for global reductions in force taking into account different timelines and budgets.**



# How we can help — global coverage with local expertise

As global employers consider and implement necessary reductions in force, we help them develop and execute a globally consistent plan that is locally compliant, mitigates against risk and is operationally sound. Navigating complex employee selection procedures, planning for notification and consultation requirements, and anticipating severance and other benefit issues are some of the ways we provide coordinated support.

As the original global law firm, we are not only present, but deeply embedded in 45+ markets around the world. We can 'issue spot' across multiple jurisdictions, sharing industry-specific knowledge to help multinationals confidently design restructuring and redundancy plans. Our global coverage coupled with decades of experience allows us to navigate local employment laws — including working rights, immigration laws, labor conditions, collective consultation obligations and more — helping you to understand where decisions might be subject to further change and/or risk.

## Some of the ways we can help include:

### Labor & Employment



- Support implementing single jurisdiction and multinational reductions in force
- Strategically advise on compliance with local and jurisdiction-specific laws, including the rationale for each action, the duty to inform and consult, requirements to notify or negotiate with government agencies or obtain court approval, and the termination of payments
- Assist with the preparation of documentation, including release agreements, mutual termination agreements, and post-termination restrictive covenants
- Analyze data privacy obligations

### Immigration & Mobility



- Advise on the impact of layoffs and corporate reorganizations on foreign national employees with employer-sponsored visas, work permits and residence permits, as well as the impact on the remaining local national population
- Advise on employer implications of ending or transferring assignments, and of terminating employer-sponsored foreign national employees, including repatriation, notice requirements and severance implications
- Assist with amending and cancelling/terminating international employment documentation and employer-sponsored visas, work permits and residence permits

### Compensation



- Advise on treatment of equity awards and other benefits held by terminated employees
- Advise on tax and compliance issues related to reduction of benefits or termination of plans
- Implement strategies to minimize risk of claims and coordinate with employment counsel across the globe to defend the company against any employee claims related to equity awards, employee benefits and pensions that may arise

### Disputes



- Assess litigation risks from employees affected by restructurings and reductions in force
- Assist with defense and resolution of claims following restructurings and reductions in force including:
  - Discrimination claims
  - Retaliation claims
  - Claims made by employees while on leave
  - Disparate impact litigation

## For more information

To find out how we can help you navigate business change and disruption, visit our [online hub](#) or contact your Baker McKenzie relationship partner.

## **Baker McKenzie delivers integrated solutions to complex challenges.**

Complex business challenges require an integrated response across different markets, sectors and areas of law. Baker McKenzie's client solutions provide seamless advice, underpinned by deep practice and sector expertise, as well as first-rate local market knowledge. Across more than 70 offices globally, Baker McKenzie works alongside our clients to deliver solutions for a connected world.

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