

Coronavirus Staffing Options

There is a difference between fiddling whilst the ship sinks and organising the rescue operation.

Josh Bersin said that there is a difference between “**what has changed now**” and “**what has changed forever**” – a crucial difference to inform our business planning.

Here are some of our ideas for staying business savvy at this difficult time:

1: Weekly Senior Leadership Team meetings:

Review the business plan and revenue expectations for the next 3 months to year end

- Go through most likely scenario, and significant reduction in business. (Most businesses are modelling a range of options from 50% downturn to complete closedown)
- Review cash position – can the business survive the year? When would the business cease to exist without significant change?
- What else can help the position, e.g. debtors, financing options, government assistance
- Go line by line through the finances: what can be cut now and what can be cut in a worst case scenario?
- What suppliers are you depending on to deliver ongoing client work? How stable is it?
- Are there contractual liabilities that the business may not be able to meet?

2: The cost of employing your team

- Depending on the scenario planning, what is the impact on staffing required in the short and medium term?
- Is there a desire to keep all employees to cope with a future upswing or do rapid changes need to be made?
- Temporary measures, rather than permanent reductions, make sense at the current time as we are all unsure as to the timeframe of the current Coronavirus impact.

We have created tables of pros and cons for all the options for staffing changes. Most of them require significant consultation with employees, and an excellent knowledge of employment law to enact. If you are unionised there will be additional consultation required, but many of these can be introduced very quickly and can save jobs and skills in the business for the long term.

Of course, all changes to hours and salaries have a significant impact on people’s finances, so none of this is to be undertaken lightly or insensitively.



Permanent Headcount Reductions

Tactic	Pros	Cons
Redundancy < 2 years' service	Quick if less than 2 years' service	Could be age discrimination and may lose recent, brilliant hires.
Redundancies	A long-term impact on the finances of the business, significant impact on morale when no jobs for colleagues to go to.	Can be expensive in the short-term if people have worked at the business for a long time, lose a lot of skills, less prepared for the upswing.
Voluntary Redundancies	Maintains morale.	Can lose best members of staff, can cost more if enhance redundancy.

Temporary via Contractual Clauses Enacted

Tactic	Pros	Cons
Temporary lay offs	Ideally have a contractual clause already in place otherwise also need a contract change.	Huge impact on the employees, but can retain jobs, skills and preparation for upswing. Entitlement to Statutory Guarantee Payments (maximum payment is £25 a day for 5 days in any 3 months, i.e. £145)
Short Time Working.	Quick, rapid impact on bottom line.	

Temporary Changes via Consultation and implemented with Employee Agreement

Tactic	Pros	Cons
Voluntary unpaid leave	Quick to organise with simple temporary contract change letter and may help parents with children off school. May get no takers so problem not solved.	May cause more disruption and have the wrong people taking it up.
Agreed Salary reductions, e.g. 10%, 20%	Once agreed through employee consultation Effective immediately with a simple contract change letter; stay ready for the upswing, keep skills in the business. Most staff happy to sign up if it means their colleagues keep their jobs.	Only saves so much money, only short term. Impacts lower paid staff more. Directors often reluctant to join in.
Reduced hours	Quick to organise with simple contract letter and may help parents with children off school. May get no takers so problem not solved.	May cause more disruption and have the wrong people taking it up. Only saves so much money, only short term so may not have desired impact.

Other Temporary Arrangements (may require consultation)

Other arrangements may include:

- Remove any overtime
- Change the operation to remove premium/night payments
- Freeze Pay – if an annual pay award is due – postpone it and explain why
- Cut non-contractual bonuses
- Cancel agency staff
- Don't renew any fixed-term contracts
- Redeploy employees to busier department/alternative roles
- Not working or reduced hours with some additional pay to sweeten the leave
- Agree 3/4 pay now for 3 months and 1.25 pay for 3 months once the situation is resolved (if you are clear that business will recover)
- Stay on full pay but don't work, and bank it as overtime to be worked later in the year
- Take holidays now so available later in the year (difficulty as employees can't go abroad/socialise)
- Cut out employee perks e.g. free tea and coffee/free meals/gym membership etc
- Second to another business

Get in touch