



Tips for Managing a Reduced Workforce

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Cutting Corners to 'Save a Buck' can Cost Millions Down the Line

In today's tough economy, employers worldwide have been forced to shed key personnel in order to minimize costs. Companies large and small have reduced their workforce by drastic numbers, many left with no choice but to lay off valued employees.

However, in the wake of these sweeping cutbacks, companies must pay close attention to the legal issues surrounding their remaining employee relationships. Desperate to maximize savings, numerous corporations are taking shortcuts to cost reduction—slashing salaries, rescinding vacation time and failing to reimburse work-related expenses—possibly violating workers' rights and providing grounds for a costly lawsuit.

While the need to shrink labor costs may be unavoidable, employers, now more than ever, must be aware of the different laws governing their workplace. There are some key issues related to reduced workforce management that employers need to keep in mind. Some tips to steer clear of legal troubles include:

- Carefully consider all salary cuts
- Think before revoking vacation
- Mind your 401(k) matching
- Honor lunch breaks and work hours
- Reimburse employees for all work-related expenses

Business leaders who fail to abide by these laws could very likely face an ugly lawsuit, lose the entire company or wind up with a staff of employees determined to form a union. Of course, employers should consult with their labor and employment attorney if they have any questions or concerns surrounding the latest employee management legislation.

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