



For Immediate Release

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RESEARCH SHOWS LAYOFFS AREN'T AS COST-EFFECTIVE AS EMPLOYERS THINK

Vancouver, BC - Layoffs often cost businesses more than they save, and should be carefully researched and considered by every employer before they proceed, no matter how bad business might become.

This according to a research brief the BC Human Resources Management Association (BC HRMA) has issued to its members province-wide. It states that 35 years of research have established that downsizing most often doesn't save money, and in fact, hurts companies financially 80 per cent of the time. As for the employees that manage to keep their jobs, they tend to become less trusting, less engaged, and more apt to look elsewhere for work. Efficiency also suffers.

"By laying off employees, you lose the value of their relationships and their understanding of your company, and you often have to fill the gap down the road," says Ian Cook, Director of Research and Learning of BC HRMA. "Sometimes, those experienced employees are replaced by contracted consultants who work at higher rates of pay than the former employees did. In some cases, the employer may even wind up contracting out to the very same employees they laid off. In short, if you're planning layoffs just to save money, you'd be wise to think twice."

Cook says human resources personnel should be deeply involved in any employer's restructuring plans, and ensure other options are explored first, including voluntary layoffs, reduced work weeks, or even salary cuts or unpaid leave. "There are examples where employees will accept a pay cut if it means increased job security," Cook adds.

The brief advises BC's Certified Human Resources Professionals (CHRP) to assist in researching the potential negative consequences layoffs may bring, and make sure their employers are aware of all the options and how there will impact the organizations strategy before embarking on across-the-board layoffs.

About BC HRMA

BC Human Resources Management Association is a non-profit organization dedicated to advancing professional people practices through professional development opportunities such as conference, workshops, symposiums, mentorship and volunteer programs. The association provides leadership to more than 5,500 members and 3,000 affiliates that collectively represent CEOs, directors of HR, consultants, educators, students, HR generalists, and small-business owners. Established in 1942, BC HRMA is a founding member of the Canadian Council of Human Resources Associations (CCHRA) and the exclusive grantor of the Certified Human Resources Professional (CHRP) designation in British Columbia. www.bchrma.org

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